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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING TUESDAY, JANUARY 12, 1993 4:00 P.M.

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AGENDA

1. ROLL CALL

2. APPROVAL OF MINUTES
A. Election of Officers - 1993

3. EXECUTIVE
A. i. Executive Director's Report
ii. Adoption of 1993 Schedule of Commission Meetings
iii. Recommendations for appointments to the Waterfront Advisory Board
iv. Resolution supporting legislation allowing gaming activities aboard cruise ships in international waters.
Resolution No. 93-8

B. Financial
i. Draft Budget FY 1993-94
ii. Approval of Capital Plan
iii. Supplemental Appropriation - Starporter Crane Modifications

4. CARGO SERVICES
A. Approval of a Marine Terminal Agreement with Central American Container Line Resolution No. 93-5
B. Proposal by Osgood Warehouse Co. and Port Cargo on the use of Pier 48 as a cargo processing, warehousing and transfer facility.
C. Authorization to make final payment on and accept work for Contract 2574, "Pier 94 Star Crane Telescopic Spreader" for Port Container Cranes. Resolution No. 93-6

5. TENANT SERVICES

A. Consent Calendar
L-11741, Pier 26, Marine Express Co., launch service operation, 1 year. Amendment to lease with New York Frankfurter Co. requiring percentage rent and identification of two cart locations. Resolution No. 93-7

B. Crowley Maritime Services, Inc., Pier 54, ten years, tug boat operation, water taxi, and dispatch office. Resolution No. 93-9

6. PLANNING AND COMMUNITY AFFAIRS
A. Proposal from Public Market Collaborative for a waterfront farmers' market on The Embarcadero.
B. Authorization to negotiate an agreement with BCDC on Pier 98 Wetlands Enhancement Project and approval of conceptual plan for project. Resolution No. 93-12
C. Status Report on Waterfront Land Use Plan
D. Authorization to negotiate and enter in a contract with Economic Planning Systems for financial and economic consulting services for the Waterfront Land Use Plan. Resolution No. 93-10

7. INTERNAL SERVICES

8. LEGAL

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D. Authorization to negotiate and enter in a contract with Economic Planning Systems for financial and economic consulting services for the Waterfront Land Use Plan. Resolution No. 93-10

7. INTERNAL SERVICES

8. LEGAL

An executive session has been calendared for discussion of Long's Fish Co. v. CCSF, Superior Court No. 913-881. An executive session is specifically authorized under California Government Code Section 54956.9, subdivision (a).

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING

TUESDAY, JANUARY 12, 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission met this date at 4 o'clock p.m. in regular session. All Commissioners were present.

1. ROLL CALL

PRESENT: Douglas F. Wong, President
James R. Herman, Vice President
Anne Halsted, Commissioner
Ming Chang-O'Brien, Commissioner
Francis J. O'Neill, Commissioner

ABSENT: None

As the first order of business in the election of officers for 1993, Commissioner Halsted nominated President Douglas Wong for a second term as president and Vice President James Herman for a second term as vice president, and the nomination was seconded by Commissioner O'Neill, and carried.

2. APPROVAL OF MINUTES

The minutes of the December 15, 1992 meeting were approved by motion of Commissioner Halsted, seconded by Commissioner O'Neill, carried.

3. EXECUTIVE DIRECTOR'S REPORT

At the request of City Attorney Louise Renne, the Commission withdrew to executive session for the purpose of discussing Long Fish Co.v. CCSF, Superior Court No. 913-881. A ten minute recession was declared for the public, and the Commission moved to the Executive Conference for purpose of discussion.

At the conclusion of the executive session, the meeting was reconvened in the Commission Room at 4:20 p.m. in public forum, and in accordance with the Brown Act Deputy City Attorney Julie Van Nostern reported no decision or action was taken.

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Mr. Huerta reported that the dredging at Pier 35 was completed before the start of the new year, just in time for the start of the herring season.

The Commission adopted the schedule of Commission meetings for 1993 as presented, by motion of Commissioner Herman, seconded by Commissioner Halsted, carried.

The Commission next approved two appointments to the Waterfront Advisory Board: Paul Sedway and Arthur Bruzzone.

ACTION: Moved by Commissioner Herman, seconded by Commissioner O'Neill, carried.

Both candidates accepted the appointments, expressing appreciation to the Commission for its confidence.

The Commission was asked to approve a resolution in support of legislation (AB 74) introduced on January 4, 1993 to allow passenger cruise lines to resume gaming activities as an incidental part of the cruise while the vessel is in international waters.

Commissioner Herman opined that the Commission should enthusiastically express its agreement with the effort to turn around this ill-advised legislation which serves no constructive purpose and discourages ships and passengers from coming to San Francisco.

Ms. Sanchez reported that Senator Marks will introduce similar legislation in the Senate, and asked to have the proferred resolution amended to reflect this action.

Commissioner Herman made a motion to approve the resolution, as amended, seconded by Commissioner Halsted, carried.

FINANCE

A draft 1993-94 budget was submitted to the Commission, showing a decrease in revenues of $1.7 million compared to the current fiscal year, and an increase in expenditures of $182,000 including $500,000 in estimated salary standardization.

Mr. Kutnick queried the Commission about an important policy con sideration whether to balance the budget by bringing expenditures in line with revenues, which results in no projected surpluy, or to reduce expenditures sufficentily to project an operating surplus. Discussion followed by the Commission on the comparative merits and drawbacks, and Commissioner Halsted commented that in her opinion our objective should be to have a balanced budget.

Commission was next asked to review and approve an updated Capital Plan and staff delineated several major changes reflected, including reprioritizing Starporter Crane modernization project therein.

Mr. Pat Flanagan, Standard Fisheries, urged the Commission to consider the urgent need for the Hyde Street Pier, particularly in light of the decrease in revenues from Fisherman's Wharf. Mr. Flanagan referred to the economic report of a few years ago, which stated that the berths of boats and the production of fish is key to increased capital and jobs at Fisherman's Wharf. He urged the Commission to keep the Hyde Street Pier as a high priority.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Halsted, carried.

Mr. Kutnick requested Commission approval for supplemental appropriation for $2.3 million to fund the modification of the Starporter Cranes at Piers 94/96.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Halsted, carried.

4. CARGO SERVICES

The Commission considered a request to approve a five-year Marine Terminal agreement with Central American Container Line, and so approved by the Commission.

Mr. Peters introduced Mr. Ed Osgood from the Foreign Trade Zone, and Mr. Kevin Kelly, operator of Public Warehouses in New Orleans, who presented a proposal to operate Pier 48 as a non-contiguous extension of Foreign Trade Zone #3 to handle a diversity of cargo as an international import-export warehouse facility.

Mr. Osgood represented to the Commission that his proposal would bring new business to San Francisco, new companies from out of town, noting that San Francisco needs this $2.5 million in port revenues.

In exchange, the proposal described the Port's obligations as follows:

1) Sole use of the facility to the lessee for a ten year period.
2) Earthquake damage repair paid for by the Port, or at the Port's option, thru rental credits.
3) Port will negotiate a percentage agreement to secure dockage and wharfage for the Port.
4) Port will sprinkler Piers 48A&B at its expense or allow rental credits.
5) Port will maintain Pier 48A&B infrastructure at its expense for the term of this agreement, and provide maintenance for roof, sides, doors, floors, and substructure, etc.

Osgood, commenting on the objection made by Commissioner Herman to a marine terminal facility being worked with ILWU Local 6 warehousemen, categorized the Commissioner's objections as those of "an active member of ILWU Local 34 (longshoremen) and insisted that the best interests of the Port would be better served with the use of Osgood's contract with Local 6. Further, Osgood stated that "threats by Local 10 of closing down the Port, should not be taken seriously.

Commissioner Herman inquired if Mr. Osgood and Mr. Kelley had firm contracts for the proposed Pier 48 facility, expressing doubt that there was a valid possibility of increased traffic for this facility.

Osgood opined that in his belief "San Francisco needs this $2.5 million and will get it because Commissioner Herman is a minority in his opinion on this commission".

Commissioner O'Neill suggested that the matter be referred back to staff, and within the next 30-45 days, all proposals which have been offered for this facility should then be presented to the Commission for review and consideration.

ACTION: It was so moved by Commissioner O'Neill, seconded by Commissioner Halsted, and carried.

Commissioner Halsted remarked that "not all Commissioner Herman's comments are shared by the Commission, and that all of them do not associate ourselves with his position".

Commissioner Herman agreed, replying that he had not suggested that he spoke on behalf of anyone other than himself.

Commissioner Chang-O'Brien requested that staff in its recommendation and analysis should provide the Commission with more detailed information as to the actual benefits to the Port, particularly with respect to job creation, and a true sense as to what the capital investment is required by the Port to get the project going.

The next matter presented to the Commission was a request to approve final payment on Contract 2574, Pier 94 Star Cranes telescopic spreader. Mr. Jarrard, Chief Harbor Engineer, confirmed that a final inspection has been done and that all work under this contract has been satisfactorily completed.

Mr. Skip Zeller, mechanical engineer and project manager, briefly explained the unique capabilities of the telescopic spreader, and noted that similar equipment is located at the Ports of Vancouver, Seattle, and Tacoma.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang-O'Brien, carried.

5. TENANT SERVICES

On the consent calendar, the Director asked to put over the amendment to the New York Frankfurter Company lease until the following meeting. Staff presented a request to the Commission on a proposed lease at Pier 26, for the Marine Express Company (L-11741), and heard public comment from Tom Crowley, Crowley Maritime, opposing this lease based on a dearth of water taxi business on the Bay, due to the decline of shipping activity in San Francisco. Crowley maintains a 24-hour standby cruise service providing immediate dispatch to anywhere on San Francisco Bay. Crowley stated that it would no longer be able to continue such service if the current level of business is opened to additional operators. He asked the Commission to direct staff to study the demands for such additional service and understand the consequences of adding such services in a shrinking market.

Mr. Daniel McSweeney, deckhand for Crowley Launch and a member of the Inland Boatmen's Union, also spoke in opposition to a lease for Marine Express Company, stating that the service provided by his employer was more than sufficient for the amount of traffic the Bay. He opined that in foul weather, such as today's, the small boats (32 ft. fiber-glass boats) intended for use by Marine Express would be of no use in the anchorage. As a deckhand, his concern is with the safe transfer of crews (the agents, surveyors, chandlers) from the ship to our vessel, and he expressed doubt that the smaller craft could safely effect this task. Mr. McSweeney, likened the Marine Express proposal to "skimming the cream" off the existing launch service.

Mr. Jay Sucrombe, representing deckhands for Crowley Maritime, expressed opposition to an additional operator based on his concern for the loss of employment due to the dwindling supply of jobs.

Commissioner Halsted asked staff to distinguish between services Crowley performs and what Marine Express intends to provide. Ms Artz read from Marine Express' proposal, and Tom Crowley indicated that basically there was no difference. Commissioner Halsted asked then "where is the cream?"

Staff acknowledged that although a market study was not done as to market share impact if another operator was brought on board, if the Commission so directed, staff would do so.

Mr. McSweeney responded to Commissioner Halsted's question, saying that he had referred to a new operation as being a "spoiler, moving in skimming the cream off the top". He stated that there is very, very little work on the Bay, some days there are three ships at anchor, and sometimes a week will go by with no ships at anchor; however, Crowley maintains a 24-hour service. The cream is the boarding parties, and this is the work that Marine Express would be after.

Commissioner Halsted thanked the speaker for clarifying the issue for her.

Commissioner Herman asked that this matter be referred back to staff for a market study. Commissioner Halsted seconded the motion. Discussion followed.

Commissioner O'Neill asked if it was possible to just disapprove this applicant instead of sending the matter back to staff for the market study. Commissioner Herman withdrew his motion in favor of Commissioner O'Neill's suggestion. Commissioner O'Neill moved to disapprove the request of Marine Express. Commissioner Halsted withdrew her second of Commissioner Herman's motion.

Staff interceded on behalf of Marine Express, stating that due to miscommunication the operator was not present and asked that the Commission put the matter over until the next meeting in January so that the Marine Express can answer the Commission's questions in person.

Commissioner O'Neill withdrew his original motion, and moved to table the matter until the meeting of January 27, 1993 to provide the applicant the opportunity to appear. Motion was seconded, and carried.

The Commission next reviewed a request by Crowley Marine Services, Inc. to lease Pier 54 for a fiteen year term to operate its marine services. These include the following operations:

* berthing of vessels and barges
* water taxi service
* engineering and machine shop to support marine operations
* general maintenance of equipment and vessels
* administrative and purchasing functions.

Rent to the Port for years 1-5 $20,225.00 month, with an annual CPI in year 6 and thereafter to the end of the term.

ACTION: Moved by Commissioner Herman, seconded by Commissioner O'Neill, carried.

6.PLANNING AND COMMUNITY AFFAIRS

Mr. Tom Sargent, representing the San Francisco Public Market Collaborative, presented the Commission with a request to operate a farmer's market in the vicinity of the Ferry Building. In response to the Commission's direction at the December 16 meeting, the Collaborative set out specific terms and conditions of the permit for operation of the market.

Mr. Sargent distributed the most current plan and schedule from the Chief Administrative Office in answer to the Commission's concerns regarding the Embarcadero Transportation Project. He asked the Commission to look specifically at the mid-Embarcadero roadway replacement which shows the planning schedule running from 1992 to 1994, environmental beginning 1994, approvals and design running to 1997, indicating there is a long term process involved here in what is going to take place in this area.

Basically, the Commission is requested to direct staff to negotiate a final permit with the Collaborative to operate from April to October, with a first right of refusal for a permit to operate in the same location for subsequent years.

Commissioner O'Neill wanted it clearly understood that the Commission's permission would be conditioned on decisions of outside agencies as well, so that should construction schedules change or it was determined that this use was no longer feasible, there would be no lawsuits involved.

Prior to taking a vote, Pat Flanagan spoke in support of the farmer's market but asked that space for fish purveyors be included in the operation, and this was agreed to barring any objections from the Public Health Department.

ACTION: Commissioner Halsted made a motion directing staff to negotiate exclusively for a one season permit with San Francisco Public Market Collaborative, notwithstanding any changes which may occur to make such use infeasible, seconded by Commissioner Chang-O'Brien, carried.

The Commission next reviewed and adopted a resolution expressing support for the conceptual Pier 98 Wetlands Enhancement Project and authorizing the Executive Director to negotiate resolution of the issue with BCDC in the form of an agreement.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Herman, carried.

As the next order of business, staff presented an update on the Waterfront Advisory Plan, and specifically aaddressed what is in store for the next phase of the planning process, Phase II, focusing on the non-maritime uses for the waterfront and how to complement the maritime uses as well. The public has been very responsive in this process. In the upcoming months, the board will be trying to develop land use alternatives for the waterfront.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY, JANUARY 27, 1993 4:00 P.M.

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AGENDA

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1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

3. **EXECUTIVE**

A. Executive Director's Report

B. Financial Reports

4. **CARGO SERVICES**

A. Second extension of the Nonexclusive Management Agreement with Stevedoring Services of America upon the existing terms and conditions. Resolution No. 93-11

5. **TENANT SERVICES**

A. Sales and rent report

B. Consent Calendar
L-11751,WTC 315, Business Executives for National Security, 1 year, management office.
L-11752, Pier 9, Spolter, McDonald & Mannion, 5 years, law office
L-11753, Ag. Bldg., 207, Public Affairs Mgmt., 1 year 5 mo., consulting firm.
L-11741, Pier 26, Marine Express Co., 1 year, launch service operation. Resolution No. 93-13

C. Authorization to award Contract 2582, Drydock and overhaul of Fireboat Guardian. Resolution No. 93-14

6. **PLANNING AND COMMUNITY AFFAIRS**

A. Resolution requesting approval of tentative designations for the location of a memorial for the S.S. Baton Rouge Victory.
Resolution No. 93-15

B. Resolution authorizing the Executive Director to enter into a professional services contract with Economic & Planning Systems, Inc. for an amount not to exceed $93,500 Resolution No. 93-16

C. Adoption of a Resolution to the California Transportation Commission indicating that the Port has the financial and institutional ability to carry out the implementation of the second phase of the North Ferry Terminal Upgrade project financed under Proposition 116 (Clean Air and Transportation Improvement Act 1991).
Resolution No. 93-17

7. **INTERNAL SERVICES**

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Resolution No. 93-17

7. INTERNAL SERVICES

8. LEGAL

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING

WEDNESDAY, JANUARY 27, 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission met this date at 4 o'clock p.m. in regular session. All Commissioners were present.

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1. ROLL CALL

PRESENT: Douglas F. Wong, President
James R. Herman, Vice President
Anne Halsted, Commissioner
Ming Chang-O'Brien, Commissioner
Francis J. O'Neill, Commissioner

ABSENT: None

2. APPROVAL OF MINUTES

Commission approved the minutes of the January 12, 1993 meeting by motion of Commissioner Herman, seconded by Commissioner Halsted, carried.

3. EXECUTIVE DIRECTOR'S REPORT

The Director requested the addition of an executive session to today's agenda which was not previously noticed, in the matter of Hoops vs. CCSF, Case 941-072, a matter of pending litigation The Commissioner Herman made a motion to approve its inclusion , which was seconded by Commissioner Halsted, and approved unanimously.

Mr. Huerta reported that in the case of a proposed aquarium at Pier 39, the Supreme Court refused to hear the case, in effect letting stand the lower court's ruling which does allow the project to go forward.

He also reported that in the matter of the Nedlloyd litigation, in which plaintiffs were seeking to dissolve the Port's agreement with Nedlloyd based on the argument that it was inconsistent with the City's divestiture ordinance, the State Supreme Court again refused to hear the case, thereby letting stand the ruling of the lower court.

The Commission was asked to continue Item 6D, a request to authorize the Director to enter into a professional services contract with Economic & Planning Systems, Inc. until the next meeting.

Mr. Kutnick requested approval of refunds and allowances in the amount of $90,940 for the month of November, 1992, and it was moved by Commissioner Chang-O'Brien, seconded by Commissioner Halsted, carried.

4. CARGO SERVICES

The Commission was asked to approve the second extension of the non-exclusive management agreement with Stevedoring Services of America on its existing terms and conditions. The extension is for three months, pending ongoing negotiations between both parties.

ACTION: Moved by Commissioner Herman, seconded by Commissioner O'Neill, carried.

5. TENANT SERVICES

License L-11741, Pier 26, Marine Express, was removed from the consent calendar to be considered as a separate issue.

Mr. Janis, Director of Tenant Services, submitted the sales and rent report for October 1992, showing Fisherman's Wharf restaurants overall down 4%, and other restaurants down overall 1%.

The Commission approved the remaining three licenses as presented, following City Attorney's advice to Commissioner Halsted that her position on the board of the Business Executives for National Security did not preclude her from voting.

ACTION: Move approval by Commissioner O'Neill, seconded by Commissioner Herman, carried.

Mrs. Gwen Esch, major stockholder of the Marine Express Company, representing the applicant company submitted a statement to the Commission responding to the issues raised at the Commission meetings of December 15, 1992 and January 12, 1993 regarding the application for license to operate a marine launch service from Pier 26. (Ms. Esch's statement by reference is hereby made a part of the record.) Mrs. Esch's statement rebutted some of the concerns regarding the size and type of equipment which Marine Express proposes to use, as well as the paucity of water taxi business on San Francisco Bay, and the loss of jobs created as a result of competitive operation.

Mr. Tom Crowley, Crowley Maritime, opposed approval of this application by the Commission, citing his company's dedicated service to the Port for over one hundred years in providing safe, reliable twenty-four hour service to millions of passengers, showing a high level of commitment to the Port and the community by employing hundreds of local residents in good paying jobs.

In support of the application Mr. John Lenker submitted an addendum to the Marine Express proposal relevant to the goals and duties of the Port Commission, and in his opinion, the proposal falls in line with the Commission's stated purposes. Mr. John F. Meadows, counsel for Marine Express, said that Section 3.581 of the San Francisco Charter, requires that leases for wharves and facilities "shall be for purposes consistent with the trusts upon which the lands are held by the State and with the requirements of commerce and navigation" and opined that "competition should not be a criterion for judging whether a lease has a marine purpose.

Testifying in opposition to this application were the following individuals:
Mr. Russell Hoberg, veteran water taxi operator.
Mr. Daniel McSweeney, deckhand for Crowley Launch and a member of the Inland Boatmen's Union.
Mr. Barry Binsky, employed by Red & White, a subsidiary of Crowley Maritime.
Ms Maria Secchitano, Regional Director, Inland Boatmen's Union, representing deckhands working for Red & White Fleet.

Commissioner Herman stated "it is on behalf of both labor and management that he vigorously represented that Marine Express intent is to use the benefits of a lucrative water taxi arrangement in Southern California to undercut the service here in San Francisco." He expressed his concern about the safety and welfare of passengers who would be transported aboard the vessels of this company, as well as the safeguarding of the workers' compensation and benefits.

Mr. Randall Esch responded to this charge by stating that his company would meet the prevailing wage rate in the Bay Area, and further stated that Marine Express has an excellent safety record after ten years in the business.

At the conclusion of testimony, the chairman called for the question. Commissioner Herman made a motion that the recommendation of staff to grant the right to operate a launch service to Marine Express be denied. Commissioner Chang-O'Brien seconded the motion, and by unanimous vote of the Commission the application was denied.

5C. The Commission was asked to authorize the award of Contract 2582 to drydock and overhaul the fireboat GUARDIAN to the low bidder Fulton Shipyard of Antioch in the amount $91,415. Discussion followed concerning the possibility of a San Francisco shipyard doing this work, and it was noted that Southwest Marine did bid on the job but came in on the high side. Since as staff noted it was not permissible to negotiate with any of the bidders after the fact, staff could offer no reason for Southwest Marine's bid being almost $40,000 higher than the low bidder.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Herman, and carried.

6.PLANNING AND COMMUNITY AFFAIRS

The Commission next approved a request to consider two possible locations for a memorial dedicated to the merchant seamen lost at sea aboard the S.S. Baton Rouge Victory which was sunk during the Vietnam War. One location is in front of Pier 15-17 and the other possibility is on the pedestrian promenade south of the Agriculture Building. Staff will work with the sponsors to site the memorial in an appropriate location, under a month-to-month license.

In response to a query by Commissioner O'Neill regarding the possible need to relocate the memorial due to unforeseen circumstances, staff indicated that the license would reflect that the sponsor would have that responsibility.

ACTION: Moved by Commissioner Herman, seconded by Commissioner O'Neill, carried.

6C. As the next order of business, staff requested the Commission to authorize the Executive Director to execute Resolution No. 93-17 to the California Transportation Commission, pending clarification of certain phrases within the resolution, to indicate that the Port has the financial and institutional ability to carry out the implementation of the second phase of the North Ferry Terminal upgrade project. Staff has secured a $5.8 million grant for various capital improvements including seismic retrofit of Pier 1/2, construction of a passenger terminal and disabled access improvements.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Chang-O'Brien, carried.

Commissioner Halsted asked that the record state her reason for denying the application to Marine Express Company to operate on the Bay was that "they had failed to persuade her that their service would be reliable enough and good enough for our operations, and that it was not to have a Crowley Lake."

7. INTERNAL SERVICES

8. LEGAL

9. NEW BUSINESS

David Pilpel inquired about the termination of the Port contract with Kyle Railways, and the cessation of Belt Line Railroad operations. He questioned how the containers now received by the Port would be transferred to dockside, and whether or not this is a serious concern.

In response, Mr. Huerta said this is a cost-cutting measure, but that the Port will continue to provide rail service by having switching service done directly either by Southern Pacific or Stevedoring Services of America, the terminal operator.

Mr. Pilpel inquired whether this matter had come before the Commission in public session, or was handled by staff. The director indicated that it was a budget matter and was handled in the context of the budget process.

Mr. Pilpel reminded the Commission that the agenda for meetings should comply with the requirements of 1990 Americans with Disabilities Act, and also be printed on letter size paper.

Mr. David Weiss, Consaq Corporation, presented a business plan for Commission consideration, for use of Pier 30 and 32 as an open air market, called "Market on the Pier". In late November 1992, Mr. Weiss originally presented this proposal to establish an open air market, and since that time he has received a number of expressions of interest from vendors who would like to participate in this operation. Mr. Weiss requested that you consider this proposal and instruct staff to go ahead and give us the opportunity to proceed.

Mr. Michael Janis reported that staff has evaluated this proposal, as well as several others of similar nature. At present 30/32, as well as SWL 329, 330, are used for parking, construction laydown, and berthing of vessels for which the Port is receiving approximately $27,000 monthly and we anticipate an additional $13,000 with the Muni turnback project for this property. It is therefore staff's recommendation that Pier 30/32 is not a viable option for this proposal.

The Commission adjourned to executive session at 6:15 p.m. for discussion of status and proposed settlement of L. Scott Hoopes v. City and County of San Francisco, Superior Court No. 941-072, as authorized under California Government Code Sections 54954.2(b) and 54956.9, subdivision (a). At its conclusion, the Commission gave direction to the City Attorney's office regarding settlement.

There being no further business, the Commission moved adjournment at 7:05 p.m.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY, FEBRUARY 10, 1993 4:00 P.M.

3100 FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

AGENDA

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1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

A. Executive Director's Report

4. CARGO SERVICES

A. Refunds and Allowances for December 1992

5. TENANT SERVICES

A. Consent Calendar
L-11754, Rick Louie, Jung Shin, dba, Market Insights, WTC 271, consulting office, m/m.
L-11755, Chronicle Publishing Co., WTC 292/293, mgmt. office, 18 months
L-11756, Richard Jazowski, WTC 105, law office, 1 year.
Resolution No. 93-25

B. Approval of lease with Kenneth Burger, SWL 314, 5 years, car wash/gasoline sales. Resolution No. 93-23

C. Modification of business terms of Crowley Marine Services, Inc. lease, Pier 54. Resolution No. 93-21

D. Sales and Rent Report for November, 1992.

6. PLANNING AND COMMUNITY AFFAIRS

A. Approval of Issuance of Request for Proposal to hire consultant to analyze feasibility of a fisheries and environmental research center on Pier 45.
Resolution No. 93-22

B. Resolution authorizing Executive Director to enter into a professional services contract with Economic and Planning Systems, Inc.
Resolution No. 93-24

7. INTERNAL SERVICES

A. Accounts Receivable Report for December 1992.

8. LEGAL

An executive session is calendared to discuss the proposed settlement of Hoopes v. City and County of San Francisco, Superior Court No. 941-072, and is specifically authorized under California Government code section 54956.9, subdivision (a).

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING
SAN FRANCISCO, CALIFORNIA

Wednesday, Feb. 10, 1993 Commission Meeting

M I N U T E S

The regular meeting of the San Francisco Port Commission convened at 4:10 p.m. by President Douglas F. Wong.

1. ROLL CALL

PRESENT: Douglas F. Wong, President
James R. Herman, Vice President
Francis O'Neill, Commissioner
Ming Chang-Obrien, Commissioner

ABSENT: Anne Halsted, Commissioner

2. APPROVAL OF MINUTES

The minutes for the meeting of Jan. 27, 1993 were approved by motion of Commissioner Herman, seconded by Commissioner Chang.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta reported on the status of the State legislation passed by the California legislature and signed by the Governor authorizing the City to transfer funds from Port to the City's general fund. Before the end of 1992 the San Francisco City Attorney provided advice to the Port stating that the State legislation would be found by a Court to be unconstitutional and thereby advised the City there may be problems with their taking Port funds. The Mayor and Board of Supervisors had appropriated $1 million from the Port's reserves for transfer to the City's General Fund. Subsequent to the City Attorney's advice, the City Controller reserved these funds. The staff is currently in discussions with the Controller's office and Mayor's office over what will be the ultimate resolution of this situation. The Controller is taking the position that these funds should not be counted on to balance the City's 1993 budget.

Finally, Mr. Huerta advised the Commission of the Mayor's trip to Asia and that part of his visit will be on behalf of the Port. Also accompanying him will be Commissioner Chang and Commissioner O'Neill and himself. In light of the Mayor's schedule, the second February meeting is cancelled for lack of quorum.

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4. CARGO SERVICES

The Commission next approved refunds and allowances in the amount of $100,092 for the period ending December 31, 1992 by motion of Commissioner Herman, seconded by Commissioner O'Neill, carried.

5. TENANT SERVICES

c) Mr. Huerta requested the continuance of item 5c as staff is still in negotiations with Crowley Marine Services. At the last meeting, the Port Commission authorized Mr. Huerta to enter into an agreement subject to certain terms and conditions. In finalizing those terms and conditions, some issues have come up that will require further approval by the Commission. This issue will be brought to the attention of the Port Commission in March.

a) Three leases L-11754, L-11755, and L-11756 located in the World Trade Center were presented and approved.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Chang, carried.

b) Ms. Schimke next requested approval of a five-year lease to Kenneth Burger to operate a car wash and gas station at Seawall Lot 314. After expiration of a 15-year lease in May 1987, Mr. Burger has continued tenancy on a month-to-month basis, pending determination of the long-term use for the site. The reconstruction of the Embarcadero roadway and the widening of Kearny Street will reduce the size of Seawall 314 lot and require the demolition of the car wash facility. Mr. Burger has negotiated with the City and County of San Francisco Redevelopment Agency and Real Estate Department for relocation monies to rebuild the car wash on Seawall Lot 314. Mr. Burger also plans to invest additional monies to upgrade the car wash and gas station facilities and in view of the investment that he has made, staff is recommending a five-year lease be approved.

Mr. Peter Moylan, member of the Waterfront Advisory Committee, and Mr. Bob Tibbits, Telegraph Hill Dwellers, both opposed the five year lease and suggested a two year lease or continue with the month-to-month basis.

The Commission was of the opinion that a five year lease was not unreasonable in view of Mr. Burger's 25 years of operation, an excellent credit history with the Port and the capital investment involved for relocation ($182,000 from the City and $70,000 of his own money) to upgrade the car wash and gas station facilities. Further, there are no rent credits nor Port money involved.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Herman, carried.

6. PLANNING AND COMMUNITY AFFAIRS

a) Mr. David Mercado next requested Commission approval for the issuance of a Request for Proposals to hire a consultant to analyze the feasibility of developing a Fisheries and Environmental Research Center on Pier 45. Such a Center was planned as part of the Fisherman's Wharf Seafood Center. The role of the consultant will be to determine the financial feasibility of the Center, its approximate size and basic design, the best location for the Center within Sheds A and C on Pier 45, the various uses that can be incorporated in the Center and identify other uses that are compatible with the Center which will attract and serve the public. The consultant will identify three development alternatives for the Center and the Port Commission will choose a preferred alternative which will then be studied in greater detail by the consultant. The study should be completed in February 1994.

The NOAA grant is for $250,000 of which $10,000 will be used to pay the Port's administrative costs to produce and advertise the RFP, $150,000 for the study of the Center, and $90,000 will be reserved for environmental review. The Port will provide staff time worth $25,000 as matching funds to oversee the study.

ACTION: Moved by Commissioner Herman, seconded by Commissioner O'Neill, carried.

b) Next, Mr. Paul Osmundson requested Port Commission approval of a professional services contract with Economic and Planning Systems, Inc. for analyzing the Waterfront Land Use Plan. Team consisting of Economic and Planning Systems, Vickerman-Zachary-Miller, Dinwiddie & Associates and David Evans received the highest scores from the panel reviewing the RFPs. On Jan. 12 of this year Port Commission adopted Res. 93-10 to enter into negotiations with this consultant team. Scope of services for the contract include financial economic analysis of land use and more detailed focus of the economic and environmental impacts of the proposed Southern Pacific railroad tunnel project. Results of the more focused analysis will be used in obtaining additional federal funding for the railroad tunnel project. Estimated cost of the contract is not to exceed $110,000 ($75,000 for Waterfront Land Use Plan and $35,000 for the more focused analysis). The contract has been reviewed and approved by the City Attorney.

ACTION: Moved by Commissioner Herman, seconded by Commissioner O'Neill, carried.

7. INTERNAL SERVICES

a. On behalf of Internal Services, Mr. Ben Kutnick reported on the status of accounts receivable as of December 31, 1992. Mr. Kutnick advised that since the date of the report Elma Argentine Lines paid $30,000 and Southern Pacific Interline has also made a payment of $20,000.

9. NEW BUSINESS

Union representative, Mr. Lee Pruit, representing employees of the San Francisco Belt Railroad and Mr. Bernard Carlton, employee for 16 years asked the Commission to reconsider reinstating the Belt Railroad which was given a 60 day termination notice on December 1, 1992. They stated that the Belt Railroad was run by 2 full time employees and 1 part time employee and they claim they could offer more efficient service to the shippers, lower costs and they have all the equipment in good repair to operate it. They have an unblemished safety record and good maintenance record. In the event this was not possible, if the Commission could consider a severance package for the affected employees. Commission Herman requested staff to provide a full report on all the issues and report back at the next Commission meeting.

Next, Ms. Marilyn Nigoghossian of Nicholson's Precision Heat Treating Co., Inc. requested Port's consent to park two tow trucks in their premises and negotiate a five-year lease which is now on a month-to month basis. Mr. Huerta asked Ms. Nigoghossian to meet with Ms. Dorothy Schimke to discuss the matter further.

8. LEGAL

The Commission met in Executive session to discuss the proposed settlement of Hoopes v. City and County of San Francisco. The Commission gave direction and authorization to the City Attorney's office regarding settlement.

10. ADJOURNMENT

Meeting was adjourned at 5:30 p.m.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., March 10, 1993

3100 FERRY BUILDING, SAN FRANCISCO,
CALIFORNIA

PORT OF SAN FRANCISCO

AGENDA

1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE
   A. Executive Director's Report
      Nomination of Jane Morrison to Waterfront Advisory Board

   B. Approval of 1993-94 Budget Resolution No. 93-33

4. CARGO SERVICES
   A. Consent Calendar
      a)Amendment of Tariff No. 3-C to provide for extended free time for bulk coffee in containers. Resolution No. 93-26

   B. Report on the termination of the operating contract with Port Railroad Inc. for operation of the San Francisco Belt Railroad.

   C. Staff Analysis of Future Uses of Pier 48:
      - Report on the market study of breakbulk and containers relating to marine terminal and cargo sourcing facility needs in the San Francisco Bay Area.
      - Establishing Commission procedures to redesignate uses of facilities
      - Review of the proposals received for the use of Pier 48.

   D. Authorization to advertise for bids Contract 2552, Pier 94.
      Resolution No. 93-27

   E. Accounts Receivable Report for January 1993.

5. TENANT SERVICES

A.Consent Calendar

L-11761, street encroachment permit, Pier 70, Mayer Galant, m/m, mobile catering.
L-11762, street encroachment permit, Mikhail Rayler, Terry Francois Boulevard, mobile catering, month to month.
Amendment to L-11745, Pick Your Part, Pier 70, temporary auto storage.
L-11760, World Centre, FB 1031, month to month, storage space.
L-11758, street encroachment permit, Embarko Restaurant, m/m, 22 linear feet.

Resolution No. 93-28

B.Crowley Marine Services, Inc. lease amendment located at Pier 54.

Resolution No. 93-29

C.Informational report on public notification of special services available under the 1990 Americans with Disabilities Act.

D.Approval to advertise for bids for Stage I Ferry Building Earthquake Repair.

Resolution No. 93-30

E.Accounts Receivable (Tenant Services) Report for January 1993

F.An executive session is calendared to discuss real property negotiations with San Francisco Redevelopment Agency concerning Rincon Point Park, and is specifically authorized under California Government Code Section 54956.8.

6. PLANNING AND COMMUNITY AFFAIRS

A.Informational presentation by Center for Critical Architecture.

7. INTERNAL SERVICES

8. LEGAL

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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A D D E N D U M TO MARCH 10, 1993 A G E N D A

TENANT SERVICES

ITEM 5G. Extension of Negotiation Period for Pier 35 Event Management Lease

This issue was inadvertently omitted from the agenda notice for the meeting of March 10, 1993.

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SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING

WEDNESDAY, MARCH 10, 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission met this date at 4 o'clock p.m. in regular session. President Wong reported that Commissioner Chang-O'Brien was not feeling well and would not attend the day's meeting.

1. ROLL CALL

PRESENT: Douglas F. Wong, President
James R. Herman, Vice President
Anne Halsted, Commissioner
Francis J. O'Neill, Commissioner

ABSENT: Ming Chang-O'Brien, Commissioner

2. APPROVAL OF MINUTES

President Wong welcomed Mr. Huerta and Commissioners Chang and O'Neill back from their travels, and on behalf of the Commission congratulated the Director on a rumored (as yet unconfirmed) appointment in the Clinton Administration in Washington, D.C.

The Commission approved the minutes of February 10, 1993 by motion of Commissioner O'Neill, seconded by Commissioner Halsted, carried.

3. EXECUTIVE DIRECTOR'S REPORT

The Director reported on the Mayor's Business and Friendship Mission and indicated that the Mayor called on the new president of the China Ocean Shipping Company group in Beijing while on his Mission to the Far East. COSCO is the Port's second largest customer and recently has restructured into a holding company subsidiary structure and is looking into expanded business opportunities. The Mayor met also with the Chairman of the Evergreen Group, the owner of Evergreen Marine, Port's first largest customer. Overall, it was a very successful trip, and the Mayor did an excellent job promoting the interests of the Port as well as the City.

The director asked the Commission to approve the nomination of Jane Morrison to the Waterfront Advisory Board to take the place of Supervisor Sue Bierman, who has resigned as a result of her election to the Board of Supervisors.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Herman, carried.

Mrs. Morrison accepted the appointment to the Advisory Board and acknowledged the Commission's pledge of confidence.

B. The Commission was asked to approve the revised budget for 1993-94 which as summarized shows a surplus of $21,957. Included in the expenditure reductions are two position deletions, a Roofer and the Superintendent of Maintenance. Mr.Kutnick indicated the revised budget has been submitted to the Mayor's office subject to the Commission's approval. It is likely that there will be additional changes to the Port's budget as it goes through the approval process, to which the Commission will be kept apprised.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Herman, carried.

4. CARGO SERVICES

Item B, a report on the termination of the operating contract with Port Railroad Inc. was put over for discussion until the April 14 meeting, at the request of the representative of two Belt Railroad employees, and with the concurrence of Commissioner Herman.

Presentation of Item C, an analysis of future use of Pier 48 was continued until the next meeting in March, at staff's request.

Returning to Item A, the Commission was asked to approve an amendment of Tariff No. 3-C which would provide for extended 30 days free time for containerized bulk coffee. After brief discussion, the Commission took the following action.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Halsted, carried.

D. Staff requested authorization to advertise for competitive bids for Contract 2552, in order to modify two Starporter cranes at Pier 94. It is neceesary to raise and modify these cranes in order to keep the Port competitive with other ports and to adequately handle the Port's shipping.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Halsted, carried.

E. The Commission reviewed the accounts receivable report for Cargo Services the month of January.

5. TENANT SERVICES

A. Under the consent calendar of leases, the Commission approved the following: lease L-11761, L-11762, L11760, L-11758, and deferred approval of an amendment to lease L-11745 until the next meeting.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Herman, carried.

B. The Commission next reviewed an amendment to Lease No. L-11750 between Crowley Marine Services Inc. and the Port for a fifteen year lease at Pier 54, approved in January 1993.

Originally, it was believed that the spalling of the piles and stringers was so serious that the pier would not sustain the uses proposed by Crowley without reinforcement thrugh shotcrete method. Subsequent load tests indicate that the pier can handle the proposed loads without reinforcement at this time.

Other business terms renegotiated under this amendment are:

1) commencement date to be July 1, 1993 not June 1, 1993;
2) rent to adjusted annually in accordance with CPI beginning at commencement of second year not sixth year of lease term;
3) Port to maintain pier support piles and stringers; Crowley to maintain all other improvements, including slab, deck, utilities, and fendering;
4) Crowley will not be required to indemnify Port against Port's negligence.

In response to discussion regarding the use of binding arbitration in conjunction with fixing liability, the Commission was advised by the Deputy City Attorney that it is current City policy based on opinions issued in the past, the City Attorney's office is not in the position to bind on anything. Ms Van Nostern stated that to do so would take away the Commission's power of settlement as is dictated in the Charter, as well as that of the Board of Supervisors, and unless Federal funds are involved requiring the use of binding arbitration, it is not the City Attorney office's policy.

The Commission adopted Resolution No. 93-29 authorizing the Executive Director to execute the Lease between Port and Crowley Marine Services as revised by motion of Commissioner Herman, seconded by Commissioner O'Neill, carried.

C. Staff reported on the current requirements for public meeting notices, particularly as mandated under the Americans with Disabilities Act of 1991. Mr. Jarrard, Chief Harbor Engineer, referred to an information sheet which will be included as part of all agenda meeting notices and will detail accessibility of meetings, and relevant services available for individual needs.

D. The Commission was requested to authorize staff to advertise for bids for Contract No. 2586, for Stage 1 of seismic repair of the Ferry Building. These repairs are to correct damage to the Ferry Building sustained during the Loma Prieta earthquake in October 1989. The estimated cost of this construction is $2,600,000, and all work will be funded by FEMA and OES. All the necessary approval of contract documents by the Human Rights Commission will be obtained prior to advertisement.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

E. Accounts Receivable report for January 1993 for Tenants Services was reviewed and accepted by the Commission.

G. Staff requested an extension of the negotiation period for the Event Management Lease between Port and Waterfront Promotions at Pier 35. Premised on the difficulties of negotiating between three disparate entities, an additional 90-day period for negotiation was requested in order to resolve all issues.

Due to the already lengthy period of time involved in this negotiation, the Commission directed staff to accelerate its efforts and bring it in under sixty days.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

6. PLANNING & COMMUNITY AFFAIRS

F. The Center for Critical Architecture gave an informational presentation addressing the international design competition, "Call for Vision" sponsored by this organization in the interests of promoting public interest in the San Francisco waterfront. The competition called for inspirational visions of the Embarcadero and exploring the possibilities of integrating the waterfront into the life of San Francisco. Drawings of the winning and selected competitors were displayed for viewing and the public was invited to attend an exhibit of all the entries at the Fort Mason Center, Bayfront Gallery which runs thru April 12, 1993.

7. INTERNAL SERVICES

8. LEGAL

9. NEW BUSINESS

A request was made by a member of the public to the Commission to provide public viewing of supporting documentation for agenda items to be heard at forthcoming meetings of the Commission prior to the meeting. The Commission indicated that staff would make a packet available in the reception lobby when the Commission packets are disseminated.

An executive session was announced as noticed on the agenda for discussion of real property negotiations with the San Francisco Redevelopment Agency concerning Rincon Point Park, and the Commission withdrew to the executive conference room for discussion. At its conclusion, the Commission gave the Executive Director and the Deputy City Attorney direction and instruction regarding the real property negotiations.

There being no further public business, the Commission meeting adjourned at 6 p.m.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., March 24, 1993

3100 FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

AGENDA

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1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

   A. Executive Director's Report
   B. Supplemental Appropriation to Effect Transfer of $1 Million from the City to Port

4. CARGO SERVICES

   A. Assignment of Bay & Delta lease at Pier 15 to CGW Navigation, Ltd.
   Resolution No. 93-42

   B. Staff Analysis of future uses of Pier 48:
   - Assignment of Bay & Delta Lease
   - Establishing Commission procedures to redesignate uses of facilities
   - Review of the proposals received for the use of Pier 48

   C. Extension of Terminal Revenue Sharing Agreement with Blue Star Line and Columbus Lines
   Resolution No. 93-43

   D. An executive session is calendared to discuss the proposed settlement of City and County of San Francisco v. Pier 5 Inc., et al., Superior Court No. 947-802. This office is of the opinion that based on existingfacts and circumstances discussion of this matter in open session would prejudice the legal position ofthe Port. An executive session is specifically authorized under California Government Code Section 54956.9, subsection (a).

5. TENANT SERVICES

A. Consent Calendar
E-11765, street encroachment permit, Pier 70,and 22nd street
L-11764, WTC 24, Dainel Uesugi, architect's office, month to month
L-11766, WTC 264, Ann Mahoney, office, month to month
L-11767, Pier 33 1/2, Lester & Partners, Inc., business office, 2 year term.
Resolution No. 93-37

B. Authorization to modify contract No. SA 1373 with Carol M. Brown, Fisheries Consultant, for Earthquake Repair Services.
Resolution No. 93-38

C. Approval of Agreement Imposing Public Access restrictions with BCDC and Harbor Carriers, Inc. regarding Pier 41.
Resolution No. 93-39

D. Approval of Agreement Imposing Public Access Restrictions with BCDC regarding Pier 1/2. Resolution No. 93-40

E. Sales & Rent Report for December 1992

6. PLANNING AND COMMUNITY AFFAIRS

A. Informational Presentation on the Urban Design Recommendations for the Central Embarcadero Project (Dept. of City Planning and ROMA Design Group).

B. Resolution to approve filing an application for Transportation Enhancement Activities funds to rehabilitate Per 47A for mooring of transient boats and new public access.
Resolution No. 93-36

C. Resolution to approve filing an application for Transportation Enhancement Activities funds to conduct planning and environmental studies of the renovation of the Ferry Building.
Resolution No. 93-41

7. INTERNAL SERVICES

A. Refunds and Allowances for January 31, 1993.

8. LEGAL

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING

WEDNESDAY, MARCH 24, 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission convened in regular session at 4 p.m. with all members present. It was announced that the need for an executive session involving a personnel matter arose after the posting of today's agenda. The Commission voted unanimously to place this matter on calendar, and withdrew to executive session at 4:05 p.m. as specifically authorized under California Government Code Section 54957.

The Commission reconvened in public session at 4:25 p.m.

1. ROLL CALL

PRESENT: Douglas F. Wong, President
James R. Herman, Vice President
Anne Halsted, Commissioner
Ming Chang-O'Brien, Commissioner
Francis J. O'Neill, Commissioner

2. APPROVAL OF MINUTES

The Commission approved the minutes of March 24, 1993 by motion of Commissioner Halsted, seconded by Commissioner O'Neill, and carried.

President Wong congratulated Mr. Huerta on his nomination to the Department of Transportation as Associate Deputy Director of Intermodal Transportation. Mr. Huerta thanked the Commission for its good wishes, but noted that his appointment does require Senate confirmation.

3. EXECUTIVE DIRECTOR'S REPORT

A. Pending approval of his nomination, Mr. Huerta indicated he would leave for his new post by the end of April. He expressed his appreciation to the Commission for all its support during his term as director, as well as indicating his thanks to his staff.

The Commission having met in executive session for discussion of personnel issues stated that a process for selection of a new port director will be announced at the first meeting in April.

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B. The Commission was requested to approve a supplemental appropriation to effect the transfer of one million dollars to the Port from the City. This action is the result of a City Attorney opinion and the position of the Controller's office relevant thereto which opined that the money which orignally was transferred from the Port's unappropriated fund balance account cannot be used to balance the City's budget. The supplemental appropriation is for the purpose of transferring the $1 million back to the Port from the City.

ACTION: Moved by Commissioner Halsted, seconded by Commission Herman, carried,

4. CARGO SERVICES

A. The Commission approved assignment of leases L-11723 and L-11397 at Pier 15 from Bay and Delta Towing Co. to CGW Navigation Ltd. on a temporary month to month basis pending negotiation of a lease between the Port and the new owners of the tugboat company.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Halsted, carried.

B. Staff presented an analysis of the breakbulk market, container shipping market, and container support business with the following conclusions, and recommendations. Diminishing breakbulk shipping lessons the need for maintaining breakbulk marine terminals while continued growth in container shipping and container support business indicates the Port should focus more effort in providing facilities in that direction. In summary, the demand for container marine terminals is present while opportunities for breakbulk marine terminals appears uncertain.

ACTION: The Commission approved the designation of Port facilities as follows:

* Active Marine Terminals:	Piers 94/96, 92, 80, 70, 50, 48, 27/29 and passenger ship handling at Pier 35
*Not Active Marine Terminals:	Inland portions of backlands of Seawall Lots 344 and 352, Pier 90, 70(backlands), portions of Seawall Lot 337, Pier 38, 15/17 and 19/23, and all facilities under control of Tenant Services Division except passenger ship operations.

The Commission therefore accepted the staff report and recommendations for active and non-active marine terminal designations, acknowledging that such marine terminal facilities would be operated by PMA members only. Incorporated in the staff report, is a second factor under which the Commission will periodically review and re-evaluate the designations based on use, cost/benefit comparison, dredging considerations, an evaluation of market interest, assessment of historic, and environmental considerations.

Consistent with the Commission's acceptance of the staff report, Mr. Huerta read into the record a letter of request from Ed Osgood and Kevin Kelly proposing usage of Pier 48 as an off dock container freight station by the Osgood Warehouse Company under a license or lease arrangement.

Commissioner O'Neill asked that staff respond to this request and report back to the Commission.

E. The Commission reviewed and accepted the accounts receivable report for Cargo Services the month of January.

5. TENANT SERVICES

A. Under the consent calendar of leases, the Commission approved the following leases: E-11765, L-11764, L-11766, L-11767.

ACTION: Moved by Commissioner Chang-O'Brien, seconded by Commissioner O'Neill, carried.

B. The Commission considered the modification of a contract with Carol M. Brown, fisheries consultant, for earthquake repairs support services at Pier 45. Recognizing the complexity of the earthquake repair funding and Ms Brown's expertise and familiarity with the process, as well as to prevent the loss of millions of dollars of outside funds, staff asked the Commission to authorize the contract modification to the professional services contract for continued Pier 45 earthquake repair support services.

ACTION: Resolution No. 93-38 moved by Commissioner Halsted, seconded by Commissioner O'Neill, carried.

C. The Commission reviewed a resolution authorizing the execution of a public access instrument for portions of Pier 41 in compliance with BCDC Permit 18-76, subject to approval of the legal description by the City Attorney's Office. Commission took the following action.

ACTION: Resolution No. 93-39 moved by Commissioner Halsted, seconded by Commissioner O'Neill, carried.

D. In a similar action, the Commission reviewed a public access dedication instrument for Pier 1/2, as required by BCDC Permit (11-91). The Commission aproved execution of a public access instrument for portions of Pier 1/2, subject to approval of the legal description by City Attorney's Office.

ACTION: Resolution No. 93-40 moved by Commissioner Halsted, seconded by Commissioner O'neill, carried.

E. The sales and rent report for the month of December 1992 was submitted for review by the Commission.

6. PLANNING & COMMUNITY AFFAIRS

A. Mr. Joe Wyman, Port Planner, introduced Emilio Cruz, Project Manager for the Waterfront Transportation Project and Boris Dramov, ROMA Design Group, who presented a report on the Urban Design recommendations for the Central Embarcadero Project. While the report offered no recommendations for solving the Port's stated concerns (Port position paper dated September 1, 1992), it did have further implications on these concerns as well as any potential solutions.

Dramov talked of creating a public gathering space in the Central Embarcadero, and specifically noted three principle components which will need to be implemented. First, restoration of the Ferry Building, development of adjacent piers and the Agriculture Building. Second, redesign of Justin Herman Plaza, and improvement within the Washington/Clay corridor, and finally, all vehicular, transit, pedestrian and bicycle improvements associated with the Central Embarcadero project.

At the conclusion of the presentation, the Commission thanked Mr. Dramov and Mr. Cruz for the informative report.

B. The Commission reviewed and approved filing an application for Transportation Enhancement Activities funds to rehabilitate Pier 47A for the mooring of transient boats and new public access.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Chang-O'Brien, carried.

C. The Commission next considered and approved a resolution to file for Transportation Enhancement Activities funds in order to conduct planning and environmental studies to renovate the Ferry Building.

ACTION: Moved by Commissioner Chang-O'Brien, seconded by Commissioner O'Neill, carried.

7. INTERNAL SERVICES

A. The Commission approved refunds and allowances in the amount of $79,125 for the period ending January 1993.

8. LEGAL

An executive session, as calendared, convened next to discuss a proposed settlement of CCSF v. Pier 5 Inc., et al, Superior Court No. 947-802. At its conclusion, the City Attorney stated the Commission gave authority and instruction to the Executive Director and City Attorney's Office regarding the proposed settlement of CCSF v. Pier 5, Inc.

9. NEW BUSINESS

There being no further public business, the Commission meeting adjourned at 6 p.m.

SAN FRANCISCO PORT COMMISSION
FERRY BUILDING, SUITE 3100
THE EMBARCADERO, SAN FRANCISCO

American sign language interpreters will be available upon request. Please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

A sound enhancement system will be available upon request. Please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

Minutes of the hearing are available in alternative formats. Please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

If you require the use of a reader during the meeting, please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

To allow individuals with environmental illness or multiple chemical sensitivity to attend the meeting, individuals are requested to refrain from wearing perfume or other scented products.

The closest accessible BART station is Embarcadero station located at Market and Spear Streets.

The closest accessible MUNI Metro station is Embarcadero station located at Market and Spear Streets.

Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71.

For more information about MUNI accessible services call 923-6142.

There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., April 14, 1993

3100 FERRY BUILDING, SAN FRANCISCO,
CALIFORNIA

AGENDA

DOCUMENTS
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1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

   A. Executive Director's Report

   B. Report on Board of Supervisors' Proposed Sunshine Ordinance

4. CARGO SERVICES

   A. Report on termination of operating contract with Port Railroads Inc. for operation of the San Francisco Belt Railroad

5. TENANT SERVICES

   A. Consent Calendar
   L-11772, Limbach & Limbach, Ferry Building 1041, m/m, storage.
   L-11771, Brad Parberry, WTC 274, m/m storage.
   L-11773, SF City & County Water Dept., Pier 33, shed space for office trailer, and support parking, Letter agreement, 1 year.
   L-11770, Pier V Partners, Pier 5, law office, 5 years.

   Resolution No. 93-44

C. Informational presentation by Patrick Flanagan relevant to Standard Fisheries fish processing business.

6. PLANNING AND COMMUNITY AFFAIRS

A. Status Report on the Mission Bay Project and Resolution Adopting a Maritime Strategy to meet objectives of the MTC/BCDC Seaport Plan related to the Mission Bay Plan.

Resolution No. 93-45

7. INTERNAL SERVICES

A. Refunds and Allowances for period ending February 28, 1993.

8. LEGAL

An executive session has been calendared for discussion of the following pending litigation matters:

1. Stewart v. CCSF, Superior Court No. 946-753;

2. Hargrave v. CCSF, Superior Court No. 905-532;

3. Kirp v. CCSF, Superior Court No. 944-722.

This office is of the opinion that based on existing facts and circumstances discussion of these matters in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.9, subdivision (a).

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING

WEDNESDAY, April 14, 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission convened in regular session at four o'clock p.m. with all members present.

1. ROLL CALL

PRESENT: Douglas F. Wong, President
James R. Herman, Vice President
Anne Halsted, Commissioner
Ming Chang-O'Brien, Commissioner
Francis J. O'Neill, Commissioner

2. APPROVAL OF MINUTES

Commissioner O'Neill made a motion to approve the minutes of the meeting of March 24, 1993, seconded by Commissioner Halsted, and carried.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Huerta reported that pursuant to the Commission's direction staff prepared a request for proposals to retain the services of an executive search firm to work with the Commission in selecting candidates for executive director. The RFP proposals will be submitted by April 27, and final selection of an executive search firm will then be made. The process of selecting an executive director will then begin.

At the request of Secretary Pena, Mr. Huerta said he will be in Washington next week in a consultant capacity and pending Senate confirmation will leave for his permanent position with the Department of Transportation on April 30.

The Latin American Trade Fair co-hosted by the Pacific Shipper and the Port was held today and was very well attended with about 110 participants, and included Port steamship line customers providing service to Latin America, as well as people interested in trading and doing business in this dynamic part of the world. The Port's trade with Latin America is one of the most rapidly growing in the world, and we have experienced over a 24 percent increase in the last year.

Mr. Huerta next reported on pending legislation currently being considered by the Board of Supervisors, known as the Sunshine Ordinance that would bring about a number of fundamental changes in law in the areas of public meetings and public records.

Some of the significant changes include expansion of open meeting requirements to types of deliberative bodies not currently covered under the Brown Act; consideration of matters in closed sessions, specifically, attorney-client privilege would be greatly reduced; access to information stored in electronic form including disk, tape, printout, monitor or modem (time frames for providing information are greatly reduced); personnel records would be subject to a much higher level of disclosure; and finally, policy body communications must be made accessible to the public and must contain a copy of any letter, memorandum, or other communication distributed or received from a quorum of the Commission concerning a calendared matter by the body within the next 30 days.

There are numerous other provisions of the proposed ordinance. The matter is scheduled for a second hearing on May 5, and if passed will go into effect within 120 days. Staff is working with Supervisor Achtenberg, the author of the legislation, in the hope of achieving a mutually acceptable ordinance.

4. CARGO SERVICES

A. Roger Peters reported on the termination of the operating contract with Port Railroad Inc. as operators of the San Francisco Belt Railroad. Mr. Peters stated that belt switching operations have shrunk to two areas of service: containers at the South Container Terminal and import fishmeal hopper cars at Pier 92 with the resultant diminishment of revenue. During the annual budget review, staff determined that the expense of operating the railroad outweighed the benefit provides to customers. Thus the contract was terminated. Some provisions for continuing service to Port customers have been arranged. Negotiations with Southern Pacific are continuing.

The Belt Railroad continues to exist as a legal entity under the responsibility of the Port Commission. The engineers and foreman who were formerly Belt employees were transferred to Port Railroads Inc. and to the Port, and are now seeking severence as a result of the termination.

Commissioner Herman asked if any representative of the Railway Union or employees of the Belt Railroad wished to address this matter.

Mr. Bernard Carlton, conductor-foreman from the Belt Railroad, in response to Commissioner Herman, acknowledged that this was the scenario which took place as outlined by Mr. Peters. He did question the validity of the revenue figures presented in the staff report, however, noting that his record of rail switchs reflect a much higher percentage. Mr. Carlton told the Commission that it had always been his understanding as well as the other Belt Railroad employees' that they continued to have tenure with the Port, as part of the transfer from the State in 1969. That although Kyle Railroad or Port Railroads, Inc. was the managing contractor, these workers continued to have rights under the Port Commission. Mr. Carlton also expressed concern that the contract was terminated by staff without bringing the matter to the full Commission for hearing.

Commissioner Herman asked if there was a collective bargaining agreement between the union and Kyle Railroad, and ascertaining that there was, opined that the subcontractor Kyle had the responsibility for whatever agreement was in effect. Commissioner Herman said this is not something that is within the purview of the Port, although it sounds like there is a grievance between the workers who were severed and the rail line for whatever benefits the contract dictates they are entitled to. Herman stated that the Commission would be hard pressed to enforce a grievance that has not been filed or brought to fruition.

5. TENANT SERVICES

A. Under the consent calendar of leases, the Commission approved the following leases: L-11772 to Limbach & Limbach, Ferry Building 1041 for storage space; L-11771, to Brad Parberry, WTC 274, storage space; L-11773, to S.F. Water Department, Pier 33 shed space for office; L-11770, Pier V Partners, Pier 5, law office..

ACTION: Moved by Commissioner Chang-O'Brien, seconded by Commissioner Halsted, carried.

B. Mr. Patrick Flanagan, longtime tenant of the Port, spoke to the Commission about the closing of his company, Standard Fisheries, and the increasing difficulties and hazards of doing business within the confines of government bureaucratize. Mr. Flanagan acknowledged that the recession and over-fishing contributed to the closing of his company, but opined that government regulations and taxation, and their implementation were the overwhelming factors of his business' demise. Flanagan said that it is in the implementation that there is a lack of justice, compassion and equality, and he urged the Commission and the Administration to address these issues, and more than that encourage a resurgence of compassion and ethics in government.

Commissioners O'Neill and Herman expressed appreciation to Mr. Flanagan for his insightful remarks, and wished him well in his future endeavors. Commissioner Halsted commended Mr. Flanagan for his participation in Port activities and expressed the hope that he will continue to participate.

6. PLANNING & COMMUNITY AFFAIRS

Planning Director Keri Lung and staff member Diane Oshima gave a background and status report on the Mission Bay project, stating that the City and Catellus are in the process of completing negotiations with respect to various outstanding title issues.

Jack Pizza, Deputy City Attorney, spoke to these issues and offered an explanation why the documents which were approved by the Commission in 1991 have yet to be executed, and what is the impact on the Port.

One of the issues is an encumbrance on the title of a large portion of the site. Also at issue is a requirement under the Development Agreement that Catellus provide $30,000,000.00 in financial assurances prior to initiating a preliminary survey of the project site for hazardous materials.

Also of great importance to the Port, is any delay in executing the Option Agreement in which Catellus under a license entered into by March 30, 1993 would be obligated to pay an annual license fee of $968,368.00. The Port's FY 93-94 budget anticipates receipt of this initial payment. It is unclear at this time whether failure to meet the March 30, 1993 date will result in a delay in this initial payment of license fee.

Also necessary for the start date of the Mission Bay Development Agreement to take effect is finalization of an amendment to the Bay Area Seaport Plan authored by MTC and BCDC. The City must be develop a maritime strategy for all land in the Pier 70-80 area as a condition to changing the Seaport Plan. The maritime strategy developed by the Port and Planning Department provides the following:

1) Port would seek to acquire non-Port parcels in Pier 70-80 area, subject to availability of Port funds and competing Port needs;
2) leases for Port property in Pier 70-80 area would be for uses consistent with Seaport Plan; provided, that the property could be leased for interim uses pending development of a marine terminal;
3) Port Commission would request City Planning Commission to adopt interim zoning controls to carry out above discretionary review policy.

In addition, BCDC requires an application be submitted to propose additional text and map revisions to the Seaport Plan, the San Francisco Bay Plan and San Francisco Waterfront Special Area Plan to ensure consistency in documents regarding the land transfer for the Mission Bay project.

Following staff's remarks, the Commission asked for clarification of various matters.

Commissioner Chang-O'Brien inquired what the major obstacle is to Catellus' providing financial assurance to the City of thirty million dollars. Pizza said that the Development Agreement requires a highly liquid financial assurance, such as a letter of credit, and that due to the economy and banking regulations, Catellus , may be having difficulty in obtaining that type of security. Catellus is proposing alternative forms of security, real property, interest in properties elsewhere in the state. To date, the proposals Catellus has made thus far, do not meet the criteria set down by the City.

Jim Augustino assured the Commission it is Catellus' intention to sign the documents when the City is prepared to sign the documents, and in terms of the timing of payment, Catellus has no problem with the timing of the license payment. It is expected that Catellus will sign the documents within the month, and therefore the payment will be delayed one month, consistent with the terms of the agreement.

With regard to the Prudential assignment, Augustino agreed with City Attorney, that the State has taken a hard line in making sure that all the title issues are clear. Catellus has agreed to pay a significant penalty to Prudential to remove the encumbrance.

Augustino disagreed with City Attorney Pizza in the matter of financial assurance, stating his view that nowhere in those documents is there a requirement that Catellus post a financial assurance beffore anay signing of documents, or before initial closing.

Augustino averred Catellus intends to begin site clean-up work this summer, make a commitment to the City along the lines they desire, and do design and first phase work for 550 homes, and have homes for the occupancy by 1995

Referring to the resolution adopting a maritime strategy he urged the Commission's support of this BCDC requirement.

Diane Oshima briefly reviewed the proposed maritime strategy resolution before the Commission, and following this the Commission took the following action.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Herman, carried.

7. INTERNAL SERVICES

A. The Commission approved refunds and allowances in the amount of $56,875 for the period ending February 28, 1993.

9. NEW BUSINESS

Mr. John Jenkel, Carriage Charter operator, requested that the Commission take action to prohibit pedicabs queueing in front of his place of business. Mr. Jenkel made the case that since he is a paying tenant, and the pedicab operators pay no fee to the Port, he should not be prevented from conducting his business by these persons. If no action is taken, Mr. Jenkel requested his rent be reduced to $1 month.

Michael Janis, Tenant Services Director, responded to the issue, acknowledging that Mr. Jenkel has been impacted by the presence of the pedicabs, but reported that permitting for these vehicles is through the Police Department, which has endeavored to limit issuing further permits. However, the Commission should be aware that the Board of Permit Appeals has consistently overruled the denial of permits and in effect exacerbated the problem. Staff is continuing to work with the other departments but would welcome any support from the Commission. The Commission directed staff to bring the matter back for consideration and action at the next meeting.

There being no further public business, the Commission adjourned public session and withdrew to executive session at 6 p.m.

8. LEGAL

An executive session, as calendared, convened next to discuss the following pending litigation matters:

Stewart v. CCSF, Superior Court No.946-753;
Hargrave v. CCSF, Superior Court No. 905-532;
Kirp v. CCSF, Superior Court No. 944-722.

At its conclusion, the City Attorney stated the Commission gave authority and instruction to the Executive Director and City Attorney's Office regarding these matters.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., April 28, 1993

3100 FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

AGENDA

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1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

A. Authorization to enter into a contract with Edgewater Consultants, Mr. Walter A. Abernathy, sole proprietor, for management services to the Port Commission during the interim period while a search for a permanent Port Director is taking place.
Resolution No. 93-53
Delegation of authority to execute documents on matters related to and/or affecting the Port's finances and administration to a designated employee of the Port of San Francisco. Resolution No. 93-57

B. Presentation of revised Capital Plan
Resolution No. 93-46

4. CARGO SERVICES
   A. **Consent Calendar**
   E-11768, Daniel Liu, DBA Dan's Catering, Pier 96 yard, m/m.
   E-11775, Bryant Kwok, DBA San Francisco Catering, Pier 96 yard, m/m.
   M.O.U. No. 11778, Fire Department, 2 years, Pier 90, office space.
   Resolution No. 93-48

   B. Extension of the management contract with Stevedoring Services of America at Pier 94/96 until June 30, 1993.
   Resolution No. 93-49

   C. Status of Accounts Receivable for period ending February 28, 1993.

5. TENANTS AFFAIRS

A. **Consent Calendar**

1)L-11776, Daniel Uesugi, FB 1022, m/m, storage.
2)L-11676,Sea Engineering, Agriculture Bldg., 214-15, 1 year, office.
Resolution No. 93-50

B. Approval of licenses for Ferryboat landing rights at Pier 1/2.
1) City of Alameda, Pier 1/2, 1 year, landing rights
2) Harbor Bay Maritime, Pier 1/2, 1 year, landing rights
3) Red & White Fleet, Inc., Pier 1/2, 1 year, landing rights
Resolution No. 93-54

C. Request for Rent Abatement Request by Carriage Charter Inc.
Resolution No. 93-51

D. Adoption of Retail Leasing Policy Resolution No. 93-52

E. Status of Accounts Receivable for period ending February 28, 1993.

F. Sales and Rent Report for January 1993.

G. An executive session is calendared to discuss real property negotiations with San Francisco Redevelopment Agency concerning Rincon Point Park, and is specifically authorized under California Government Code section 54956.8.

6. PLANNING & COMMUNITY AFFAIRS

A.Resolution authorizing commencement of negotiations with Sedway & Associates to provide consulting services for proposed Fisheries and Environmental Research Center on Pier 45. Resolution No. 93-47

7. INTERNAL SERVICES

8. LEGAL - EXECUTIVE SESSION

An executive session is calendared to discuss the following pending litigation matters:

1. Peters v. CCSF, Superior Court No. 887-116;
2. Hargrave v. CCSF, Superior Court No. 905-532;
3. Kraal v. CCSF, Superior Court No. 943-927;
4. Young v. CCSF, USDC C912-1154

Based on existing facts, it is the opinion of the City Attorney's office that discussion of these matters in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.9, subdivision (a).

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
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WEDNESDAY, April 28, 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission convened in regular session at 4:05 p.m., Vice President Herman presided in the absence of President Wong who was out of town on business.

1. ROLL CALL

PRESENT:
James R. Herman, Vice President
Anne Halsted, Commissioner
Ming Chang-O'Brien, Commissioner
Francis J. O'Neill, Commissioner

Absent: Douglas F. Wong, President

2. APPROVAL OF MINUTES

Vice President Herman asked for the approval of minutes; Commissioner Halsted moved approval of the minutes of the meeting of April 14, 1993, seconded by Commissioner Chang-O'Brien , and carried.

3. EXECUTIVE

The Commission acted to authorize a contract with Edgewater Consultants, Mr. Walter A. Abernathy, to provide management consulting services to the Port Commission for the interim period during which a search will be made for a permanent Executive Director. Final selection of an executive search firm will be announced at the first meeting of May.

Mr. Huerta asked the Commission to separate this item into two parts, and delay acting to designate an authorized employee for purposes of matters of Port finances until completion of his term of office, which will be in about six weeks.

Commissioner O'Neill inquired if the Port has a Chief Financial Officer now, and if so questioned the need for the second action. It was explained that the regulations governing the Port require that an actual employee of the Port have signing authority and since Mr. Abernathy is a contractor, it is necessary that the Commission appoint one. The Commissioner also asked about the proposed management services contract, specifically the monthly salary ($13,000) and if a limit exists on additional expenses to be paid from the Port's operating budget. Following this discussion, the Commission acted to approve the contract.

ACTION: Resolution No. 93-53 moved by Commissioner Halsted, seconded by Commissioner Chang-O'Brien, carried.

Vice President Herman said he was particularly pleased to have Mr. Abernathy join the Port, even on an interim basis, and welcomed him to the Port, stating that Mr. Abernathy brings a wealth of experience and know how.

The Commission was next presented with the latest changes in the Capital Plan for the Port; an increase in cost for consultant work for the wetlands study at Pier 98 from $175,000 to $235,000; removal of the Embarcadero Parkway; addition of lumber purchase at Pier 35 cruise terminal and Pier 50 cargo facility; and reprioritizing the Pier 98 dumpsite closure. Commission approval for these changes was requested.

ACTION: Moved by Commissioner Halsted to approve Resolution No. 93-46, seconded by Commissioner Chang-O'Brien, carried.

4. CARGO SERVICES

A. The Commission reviewed the consent calendar of leases and by motion of Commissioner Halsted, seconded by Commissioner O'Neill, approved Resolution No. 93-48.

B. Staff next requested that the Commission extend the management contract with Stevedoring Services of America at Pier 94/96 until June 30, 1993, explaining that a new management agreement is currently being reviewed by City Attorney and should be ready for presentation to the Commission at the end of June.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

C. Staff presented an informational report on the status of accounts receivables ending February 28, 1993.

5. TENANT SERVICES

A. Under the consent calendar of leases, the Commission approved the following leases: L-11776 Daniel Uesugi, Ferry Building 1022 for storage space; L-11676, Sea Engineering, Agriculture Building 214-15.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

B. The Commission next approved the following licenses for ferryboat landing rights at Pier 1/2: City of Alameda; Harbor Bay Maritime; Red & White Fleet, Inc.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

Commissioner Halsted asked if a determination has been made whether a handicap ramp is possible at this location, and if not, reiterated her request that staff do so.

Cliff Jarrard, Chief Harbor Engineer, replied that staff is currently going into a design phase for the second phase of the project, and will address this issue at that time.

C. This item was put over for consideration at the next meeting.

D. Ms. Schimke, Tenants Services manager, proposed a new policy for leasing of retail business sites, and asked for the Commission's review and approval. The policy is offered as a mechanism for balancing the needs of existing tenancies and new tenancies while ensuring stability in Port revenue stream.

The Leasing Policy also provides a mechanism for analyzing long time tenants who wish a fixed term lease but are not prepared to commit major investments at this time. Under the proposed policy, such tenants would be permitted a one time opportunity to negotiate a three year lease having met the criteria for "tenants in good standing" and affirmative action. This mechanism is appropriate in that it allows a short term lease providing sufficient time for the tenant to develop a business plan and strategy for capital investment.

ACTION: Resolution No. 93-52 approving adoption of the Retail Leasing Policy was moved by Commissioner O'Neill, seconded by Commissioner Chang-O'Brien, carried.

E. The Commission received two reports: status of accounts receivables for Tenants Services for the period ending February 28, 1993, sales and rent report for January 1993.

G. The Commission withdrew to executive session as calendared regarding real property negotiations with the San Francisco Redevelopment Agency covering Rincon Point Park. The Executive Director and City Attorney's Office met with the Commission and gave a status report on the matter. At its conclusion, the Commission gave the Executive Director and the City Attorney's Office direction and instruction regarding the real property negotiations.

6. PLANNING & COMMUNITY AFFAIRS

The Commission approved a resolution to authorize staff to commence negotiations with Sedway & Associates for consulting services for a proposed Fisheries and Environmental Research Center on Pier 45. Of the six proposals received in response to the RFP process, Sedway & Associates, a local certified woman-owned business, received the highest combined total score. Staff believes this team is the best group to perform the Fisheries Center study.

ACTION: Resolution No. 93-47 was approved with no discussion.

The Chairman asked for any new business. There being none, the Commission withdrew to executive session as calendared regarding pending litigation matters. At the conclusion of the session, the City Attorney stated the following:

1. The Commission gave direction and authority to the Executive Director and City Attorney regarding settlement in the following cases:

a. Young v. CCSF, USDC C912-1154 FMS

b. Hargrave v. CCSF, Superior Court No. 905-532

2. The Executive Director and the City Attorney's Office met with the Commission and gave a status report on the following pending litigation cases:

a. Peters v. CCSF, Superior Court No. 887-116

b. Kraal v. CCSF, Superior Court No. 943-927

There being no further public business, the Commission adjourned at 6:30 p.m.

SAN FRANCISCO PORT COMMISSION

May 12, 1993

The agenda for this meeting is missing

These minutes were approved at the meeting of May 26, 1993 subject to the following deletion (bold print):

Page 1, section 3., paragraph 2,

With reference to current staffing, Commissioner O'Neill asked whether Port employees are still being asked to take furlough days off due to the budget deficit, and if that is the case, how do we justify hiring additional staff ~~in the public relations department~~.

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1. ROLL CALL

PRESENT: Douglas F. Wong, President
James R. Herman, Vice President
Ming Chang-O'Brien, Commissioner
Francis J. O'Neill, Commissioner

Absent: Anne Halsted, Commissioner

2. APPROVAL OF MINUTES

President Wong reported that Commissioner Halsted was in Washington, D.C. and would not return until later in the week. He then asked for approval of the minutes, and Vice President Herman made a motion to approve, seconded by Commissioner Chang-O'Brien, carried.

3. EXECUTIVE

Mr. Abernathy reported briefly to the Commission on some of the major issues facing the Port, and indicated it is his intention to aggressively address these issues, even though his tenure is of short duration. Mr. Abernathy said there are a lot of projects, and with the very talented and hard-working staff here at the Port, he intends putting some focus on them in order to set some priorities. With the Commission's cooperation it is his intention to develop some priorities, put some resources against it, and do some tight scheduling and see if we can get some things done.

With reference to current staffing, Commissioner O'Neill asked whether Port employees are still being asked to take furlough days off due to the budget deficit, and if that is the case, how do we justify hiring additional staff in the public relations department.

Mr. Abernathy asked Ben Kutnick, Port's fiscal officer, to respond to this inquiry. Mr. Kutnick stated that the Port had to reduce its budget because of revenue shortfalls, one method anticipated to make up the shortfall was to ask employees to take six furlough days, one day a month beginning in January. He opined that until the end of the fiscal year furloughing of employees would not be necessary.

Commissioner O'Neill asked about the calendar year, and Mr. Kutnick indicated that next year's budget is balanced and therefore he did not foresee a need for furloughs, unless something untoward happened in the next few months.

Commissioner O'Neill said he felt it was important to air this matter at the Commission meeting, since employees have expressed some concern to him because of the recent hiring in the public relations department.

Kutnick said depending on what happens in the next few weeks or months, the budget would be reviewed again, and alternatives ways would be looked at to reduce expenses, instead of furloughing employees.

Commissioner O'Neill wanted to ensure that present Port employees receive fair treatment in the hiring process in light of any possible furloughs.

Discussion followed regarding the propriety of the Commission holding an election of officers despite the Mayor's request for postponement, a pending resignation, and the appointment of a new member. Commissioner O'Neill made a motion to postpone the election, which died for lack of a second.

Commissioner Herman interjected stating that what the Mayor asked in his letter was without precedent, and the inference in the Mayor's letter that the Commission would not act prudently due to President Wong's resignation has no credence. Herman said "I am offended that there would be an effort to interfere in the proper affairs of this Commission".

Commissioner O'Neill asked then if President Wong had resigned, but Commissioner Herman indicated that he was referring to Wong resigning as president, not from the Commission.

Commissioner Wong said that the Mayor had in fact asked him to remain on the Commission for another four or five weeks to assure continued stability and order during this period of the search for a new executive director.

Commissioner Chang-O'Brien said she had subsequent discussions with the Mayor since the issuance of the letter to point out other issues to him. The Commissioner said it was the Mayor's stated desire that the Commission focus on the real issues and to go forward providing a stable environment for our clients as well as employees. She was comfortable with going ahead with the election based on those discussions.

Commissioner Herman moved to go forward with the election. Commissioner O'Neill asked if the Commission would be going into executive session as indicated on today's agenda, and was informed that an executive session for discussion of all the issues calendared on today's meeting would follow at the conclusion of the regular agenda.

President Wong asked for nominations for the office of president, and Commissioner Chang-O'Brien nominated Commissioner Herman as president, and this was seconded by Wong, and carried by three affirmative votes: Herman, Chang-O'Brien, Wong. Commissioner O'Neill asked that the record indicate that he abstained from voting.

President Herman opined that under the Charter Commissioner O'Neill could not abstain, and asked the City Attorney's advice. Ms Van Nostern indicated she would need to review the matter before responding.

President Herman declared nominations open for Vice President. Commissioner Chang-O'Brien nominated Commissioner O'Neill for the office, and Commissioner O'Neill demurred, since he was abstaining from the election process. He also stated that it had been his intention to nominate Commissioner Halsted for this office.

President Herman informed Commissioner O'Neill that he could participate in the process even though he had abstained from voting. Herman then nominated Commissioner Halsted for vice president, seconded by Commissioner Wong, and this was carried by three affirmative votes, one abstention by Commissioner O'Neill.

C. Staff presented the firm of Heidrick & Struggles as its recommendation for the executive search firm which will undertake the task of finding a new Executive Director. This firm ranked highest by the selection panel of Commissioner Anne Halsted, Ming Chang-O'Brien, and Finance Manager Ben Kutnick.

This team is composed of two partners, Betty M. Armstrong and Lauren M. Doliva, both with extensive experience in public sector searches, one of which brought the last executive director Michael Huerta to the Port of San Francisco.

Discussion followed regarding Commissioner O'Neill's suggestion that a candidate should be financially responsible for the first interview with the Commission, and the Port for a subsequent interview. It was decided that this could be too onerous to a candidate and might prevent him/her from applying. After further discussion, it was decided that the proposed fee of $25,000 and estimated expenses up to $20,000 would remain unchanged, and the Port would pay the expenses for a candidate's first interview.

The proposal made by the firm of Norman Roberts & Associates was also discussed, and following this, President Herman asked for a vote on a motion to approve awarding a contract to Heidrick & Struggles in the amount of $45,000 to conduct an executive search for a new director of the Port. Commissioner Wong seconded, Commissioner Chang-O'Brien voted yes, Commissioner O'Neill, no. The motion carried.

4. CARGO SERVICES

A. Commission was presented with a report on the status of accounts receivables over $5,000 for the period ending in March. There have been additional payments not documented in this report. The United Yugoslav Lines has paid $13,875 of the $20,000 outstanding debt. It is expected that Elma Argentine Lines will be paying $12,000 on May 18. Mr. Peters reported that accounts receivable have improved since the report was issued.

5. TENANT SERVICES

A. Under the consent calendar of leases, the Commission approved the following leases: L-11788 TGI, Inc., WTC 240 for office space; L-11781 Pan Marine Constructors, Pier 33, underwater construction support activities.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Wong, carried.

B. Mr. Janis presented a request for rent reduction by a Fisherman's Wharf tenant, Carriage Charter. Mr. Jenkel, the operator, is asking the Commission to amend his rent from the current 10% of gross versus the $750 a month to $1 monthly until such time as rental agreements have been executed with the pedicab operators. Staff has been working diligently with the community to resolve all the relevant issues to this matter, and therefore recommends that the Commission reject Mr. Jenkel's request until staff can present its proposed solution.

Commissioner O'Neill urged staff to keep Mr. Jenkel apprised on the progress of the matter in the meantime.

Mr. Jenkel reiterated his request for relief from the burden of the situation to the Commission until a viable solution has been reached.

Commissioner Herman promised an expeditious and judicious solution in this matter. Staff will report on the briefings given to the community and input from those briefings.

Mr. Al Baccari, Fisherman's Wharf Association, urged that there be a time element considered in order to create a compromise pleasing to both factions of this issue. He suggested that if this cannot be resolved within a two month period, that from that time until it is settled, the Commission accept a rental fee amicable to both.

Staff concurred with the suggestion of a two month grace period for resolution of this matter. However, City Attorney Van Nostern informed the Commissioner that in order to implement this, the Harbor Traffic & Safety Code would have to be amended to include what these proposed agreements provide for, in terms of jurisdiction, in order that the Commission has the power and authority for enforcement of these guidelines. This process could take longer than two months.

Staff suggested that the business and operational terms be finalized within the two month period, and the Commission agreed to those constraints.

C. Staff reported on the status of the Pier 35 event management agreement, and a request for an additional six weeks for the negotiating period. At the second meeting in June, staff will present the finalized leases. Staff reported that the business terms of all four leases were concluded today, and asked the Commission to extend the negotiating period until June 23. Staff's recommendation was accepted by the Chair, and a motion made by Commissioner O'Neill, seconded by Commissioner Wong, carried.

D. The Commission reviewed and approved fifteen subleases by Rudolph Menzel at Pier 66. This area is used for small boat, engine and sail repair and storage. Mr. Menzel will manage the individual subleases.

Commissioner O'Neill asked if the Port would participate in any profit from these subleases should Mr. Menzel increase the rents, and Ms. Schimke acknowledged that the lease provides for the Port to participate in any profit made from a sublease.

ACTION: It was moved, seconded, carried to approve Resolution No. 93-58.

E. In an effort to promote and attract more cruise business to the Port of San Francisco, staff has proposed that wharfage discounts be offered to cruise lines which homeport vessels in San Francisco. The Commission would adopt the following passenger rate structure for cruise lines embarking and disembarking over10,000 passengers per year:

First 10,000 passengers	$8.00/head
Passengers 10,001 - 20,000	$7.75/head
Passengers 20,001 - 30,000	$7.00/head
Passengers over 30,000	$6.25/head

Port staff is further directed to proceed with amending Tariff 3C to incorporate this rate structure.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Wong, carried to approve Resolution No. 93-61.

F. The Commission was requested to authorize staff to make final payment and accept the work at Pier 1/2 - North Ferry Terminal Upgrade. Mr. Jarrard, Chief Harbor Engineer, reported that the final inspection of this work under Contract No. 2576 has been performed, and found to be acceptable. The total cost of the contract is $1,752,079.33, was funded by by grants from CalTrans, San Francisco County Transportation Authority and Metropolitan Transportation Commission. Mr. Jarrard wanted the Commission to know that Port planner Joe Wyman was responsible for obtaining this funding for this project.

President Herman further commented that Mr. Wyman was responsible for "getting the Port alot of money, and perhaps should be rewarded with a raise".

With regard to Commissioner Halsted's inquiry about the possibility of a stairway to bypass the handicap exit ramp, Mr. Jarrard reported that after discussions with representatives of the disabled community as well as Disability Access Coordinator Richard Skaff regarding a separate stairway, it was decided that the Port would continue its practice of providing the same path of travel for disabled and non-disabled persons. The Port's Fire Marshal concurred with this ruling. The Commission took the following action.

ACTION: Resolution No. 93-60 was moved by Commissioner O'Neill, seconded by Commissioner Wong, carried.

G. A report on accounts receivable was updated by Mr. Janis, who informed the Commission that Flying Dutchman is in serious arrearage and staff will be meeting with this tenant for a review of the situation, and will report back to you on the status. Pier 39 & Associates issue will be discussed in executive session. National Park Service has responded to City Attorney's letter informing us that a payment is forthcoming. Sinbad's is complying with the terms of the payment schedule and it is expected that the arrearage will be paid by the end of the fiscal year.

Mr. Joe Wyman reported that in the matter of the Ferry Terminal project, notice was received from CalTrans that this project has received a transportation excellence award, in the category of Transportation Support Group. Mr. Preston Kelly 's staff is arranging some type of public ceremony in which a plaque will be bestowed on the Port of San Francisco for providing this facility.

6. PLANNING & COMMUNITY AFFAIRS

Mr. Wyman asked the Commission to postpone discussion of this item with the explanation that this was not generated by staff but rather by a citizens' group and there was not sufficient time given to adequately prepare a presentation to the Commission.

ACTION: The Commission agreed to continue this item until a future meeting.

In the matter of a commissioner's right to abstain from voting, Deputy City Attorney stated that under Section 3500.H each member shall vote for or against, unless he or she is excused from voting by a motion adopted by a majority of the members present. Article IV of the Port Commission By-Laws specifically require a yes or no vote.

In view of the City Attorney's opinion, Commissioner O'Neill cast a no vote.

City Attorney Van Nostern stated that the following matters, as indicated on today's calendar, would be discussed in executive session:

Discussion of a personnel matter, specifically authorized under California Government Code Section 54957;
Real property negotiations, authorized under California Government Code Section 54956.8
Pending litigation matters, authorized under California Government Code Section 54956.9, subdivision (c).

The Commission withdrew to executive session as calendared regarding the above listed matters. At the conclusion of the session, the City Attorney stated the following:

. The Commission gave direction and authority to the General Manager Mr. Abernathy and City Attorney regarding real property negotiations:

1. Flota Mercante Grancolombiana (Pier 96)
2. Naviera Interamericana Navicana S.A. (Pier 96)
3. Companie Sud-Americana de Vapores (Pier 96); and,
4. Blue Star Line, Inc., and Columbus LInes Inc. (Pier 96 and 80).

The Commission authorized the proposed settlement of Lloyd's Underwriters and Institute of London Underwriter Companies for the Port of San Francisco's claim for damage to Hyundai Crane #1330.

The Commission gave direction and authority to the City Attorney regarding pending litigation involving Pier 39 Limited Partnership, a California limited partnership.

There being no further public business, the Commission adjourned at 7:04 p.m.

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., May 26, 1993
3100 FERRY BUILDING, SAN FRANCISCO,
CALIFORNIA

AGENDA

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1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

A. General Manager's Report

B. An executive session is calendared for discussion of a personnel matter. The City Attorney's Office is of the opinion that based on existing facts and circumstances discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54957.

4. CARGO SERVICES

5. TENANT SERVICES

A. **Consent Calendar**

L-11785, Sylvia Mills, WTC 275-H, one year, psychologist's office
L-11786, Brad Parberry, WTC 284, m/m, storage.
L-11787, Essam Elmahgoop, WTC 250-S, one year, translator's office.
L-11788, Gregory Fung, M.D., Pier 26, 5 years, storage.
Resolution No. 93-66

B. Acceptance of Design Guidelines for Disability Access of Floating Structures on Port Jurisdiction. Resolution No. 93-67

C. Approval to Award Professional Services Contract for the Analysis and Design for Earthquake Repairs to the Ferry Plaza, Piers 27/29.
Resolution No. 93-64

D. Approval to Award Construction Contract No. 2586 for Stage I for Earthquake Repairs to the Ferry Building. Resolution No. 93-65

E. Request authority to advertise Contract No. 2587 1993-94 Maintenance Dredging
Resolution No. 93-68

F. Sales & Rent Report for the months of February and March 1993.

6. PLANNING & COMMUNITY AFFAIRS

A. Resolution to reduce the Ferry Building application for Transportation Enhancement Activities funds to $1,000,000.
Resolution No. 93-69

7. INTERNAL SERVICES

8. LEGAL

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING

WEDNESDAY, MAY 26 , 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission convened in regular session at 4:05 p.m.

1. ROLL CALL

PRESENT:
James R. Herman, President
Anne Halsted, Vice President
Ming Chang-O'Brien, Commissioner
Preston Cook, Commissioner

Absent: Francis J. O'Neill, Commissioner

2. APPROVAL OF MINUTES

President Herman asked that the minutes of the meeting of May 12, 1993 be amended as follows:

Page 1, Section 3, paragraph 2 - delete the underscored phrase:

With reference to current staffing, Commissioner O'Neill asked whether Port employees are still being asked to take furlough days off due to the budget deficit, and if that is the case, how do we justify hiring additional staff in the public relations department.

Commissioner Halsted said that since she wasn't at the May 12 meeting, she could not comment on the change but asked if Commissioner O'Neill had agreed to the deletion. If that is the case, she had no objection to amending the minutes.

President Herman said that Commissioner O'Neill did indicate his concurrence, and therefore directed the minutes be amended as stated.

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3. EXECUTIVE

Mr. Abernathy said he thought it timely to schedule a briefing with the Commission for an update on the waterfront planning effort. The Advisory Board will recess for the summer and when it reconvenes in the fall, planning staff will be coming in with specific planning suggestions . Before starting this process, Mr. Abernathy felt it was important to have everyone updated. He suggested the second meeting in June for this briefing, and the Commission agreed to this date. Another issue was a need to meet with the Commission to get its input in the process of prioritizing some of the Port's many projects, with a view to identifying those we should put timelines on and financial resources against, and suggested scheduling a work session with the Commission in the near future.

President Herman extended a sincere welcome to Preston Cook, who is joining the Commission as its newest member. Commissioner Cook is a principal with TRI Realtors and served as a consultant for the California Senate Select Committee on Maritime Industry. President Herman wished him well and pledged his full cooperation.

4. CARGO SERVICES

Roger Peters, Director for Cargo Services, had no report.

5. TENANT SERVICES

A. This item was deferred for discussion to the end of the tenant services matters.

B. Chief Harbor Engineer Cliff Jarrard presented design guidelines for disability access for floating structures which are the work of Marine Ramp Disability Access Committee. Mr. Richard Skaff, the City's Disability Access Coordinator and Port staff formed this committee for the purpose of providing consistent, maximum feasible disability access to structures in Port jurisdiction. Public meetings were held and input gathered from the disabled community, boat operators, developers, federal, state and local agencies, contractors, and engineers who compiled these guidelines. Mr. Jarrard introduced Mr. Skaff and asked him to address the Commission.

Mr. Skaff said he was very excited about the document before the Commission today, because it says quite a lot for San Francisco in being the leader in the concept of civil rights for people with disabilities. There were no clear definitions on how the Port should require access in the design of new facilities. The Port has approximately 8-1/2 ft.of change in tide during the day, which created quite a problem. Working with the National Maritime Institute, a policy was developed to provide a reasonable, safe, useable design guideline. Pier 1/2 is an example of this. Mr. Skaff congratulated the Commission and staff for its accomplishment in developing this policy by consensus. Mr. Skaff particularly acknowledged the work of Frank Palumbo and Cliff Jarrard in this effort.

Commissioner Cook asked about a timeline for implementation and what costs are involved. He was informed that once these guidelines are adopted by the Port Commission, this would be a policy that would be used for any future or new permit approvals that the Port would provide to public or private installations of gangway systems. As to the exact costs, each case would be different depending on the design criteria used to design the structure for each application.

ACTION: Resolution No. 93-67 approving design guidelines for disability access of floating structures in Port jurisdiction was approved by motion of Commissioner Chang-O'Brien, seconded by Commissioner Halsted, carried.

C. The Commission next reviewed a request to authorize the award of a professional services contract for earthquake damage repair work at Ferry Plaza, Pier 27-29. A selection panel consisting of three people: Kathy How, manager, structural engineering section, DPW, Bureau of Engineering; Clifton Wong, manager, rail engineering, Utilities Engineering Bureau; and Joe Roger, structural engineer, Port of San Francisco; chose the firm of Winzler Kelly/AGS from a shortlist of four finalist firms. The Human Rights Commission affirms that Winzler Kelly/AGS complies with all the requirements to receive a preference as a joint venture. Funding for this contract will ultimately be through FEMA and OES.

Commissioner Chang-O'Brien asked what is the estimated completion date for Phase I of this contract, and was informed it is sixty days, with a notice to proceed within the next three or four weeks, after going to the Board of Supervisors, and Civil Service Commission.

ACTION: Commissioner Halsted moved approval of Resolution No. 93-64, seconded by Commissioner Chang-O'Brien, carried.

D. The Commission next reviewed staff recommendation to award Contract No. 2586 to the firm of Barnes/Lem, a joint venture, for Ferry Building seismic repair work, Stage 1. The total contract price is $1,588,000, with an availability of $158,800 (10%) contingency fund for possible contract modifications. Construction is scheduled to last twelve months, and includes repairing the masonry parapets and west exterior masonry facade, strengthening the tower framing, and installing new concrete shearwalls at the south exterior wall and under the tower. contract.

Commissioner Halsted asked if this work would conflict with the longterm historic remodeling of the Ferry Building, and was assured that all the proposed repair work was reviewed by the necessary historical agencies.

ACTION: Resolution No. 93-65 was approved by motion of Commissioner Halsted, seconded by Commissioner Chang-O'Brien, carried.

E. As the next order of business, the Commission was asked to authorize advertising bids for a contract for maintenance dredging. This contract is to provide the services of a dredging contractor to perform maintenance dredging at Port facilities, and specifies facilities to be dredged. Completion time of this contract is one year.

In answer to Commissioner Herman's inquiry, John Kellogg, senior engineer in charge of dredging, addressed the issue of prioritizing areas to dredge. Kellogg used the example of Pier 35 east, the cruise ship terminal, as being somewhat more sensitive to being dredged every year whereas with Pier 35 west there is more flexibility for delay. In other words, the directors would have to review a list of projects and put a priority on them.

Commissioner Herman asked about the status of Pier 48, and was informed that dredging for this pier is not in this year's schedule. Mr. Kellogg distributed a 5 year maintenance dredging projection for the Commission's review, noting that these are not necessarily highest and best and should business opportunities change than episodes might change. Mr. Abernathy pointed out that new business volumes could trigger that kind of alternative.

Commissioner Herman asked if the amount that needs to be dredged remained fairly constant and was informed that was only if the Port were to dredge constantly. Over the past several years, the Port has become backlogged due to an inability to keep up with our needs.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang-O'Brien, carried.

Mr. Janis presented the sales and rent report for February and March, showing a continuing down trend in restaurant and retail sales at the Wharf, and elsewhere along the waterfront. However, the forthcoming April and May reports should begin to show a more positive picture. In response to Commissioner Halsted's request for a comparison between Port tenant restaurants and other restaurants in the City, Mr. Janis reported that he contacted the Restaurant Association. Although they ordinarily do not provide this type of data, they will try to put together some general trends.

Under the consent calendar, Ms. Schimke asked to defer consideration of leases L-11787, and L-11788 pending additional negotiation. Regarding the proposed lease for Dr. Gregory Fung, Commissioner Herman expressed concern that the length of the lease for storage at Pier 26 is for five years. Ms. Schimke explained that this space would be used for a non-profit organization for storage of equipment and props.

President Herman asked that before this item is brought back for consideration, staff provide the Commission with long term goals and objectives with respect to a rental policy in space that has high potential value.

Commissioner Cook suggested that there are a variety of lease terms that could be offered particularly to a tenant paying a very low rent, and that has very low tenant improvements to supply themselves. He suggested either a one year with some options, or a five year with a 6 month notice to vacate. Commissioner Cook noted that there are a variety of techniques to employ should the need arise if there is another user that may be more suited to maritime needs.

Mr. Abernathy commented that typically a maritime cancellation clause could also be included which would give the Port the protection it would need in such an event.

The remaining leases L-11785 and L-11786 were approved by motion of Commissioner Chang-O'Brien, seconded by Commissioner Halsted, carried.

6. PLANNING & COMMUNITY AFFAIRS

A. Staff presented a request of the Commission to approve a resolution to reduce the Ferry Building application for Transportation Enhancement Activities funds to $1,000,000. Originally, the Port's application to TEA (which this Commission approved) was for $2.5 million to conduct planning, engineering, and environmental studies on the renovation of the Ferry Building. Metropolitan Transportation Commission (MTC) reviewed the TEA applications and due to the large number of meritorious applications and the limited amount of funding, capped the maximum TEA cost at $1,000,000.

In order to remain eligible for the funding cycle, the scope of work for the Ferry Buiding renovation has been revised to reflect the $1 million cap placed on TEA funds. Paul Osmundson, Development Project Coordinator, therefore requested the Commission to approve Resolution No. 93-69 authorizing the application, acceptance and expenditure of these funds.

The Port has submitted an additional application to this program for Pier 47A adjacent to Scoma's, which has fallen into disrepair and is not in use at this time. This application was for $528,000 to repair this pier and put it into use as public access. This project scored no. 3, and is in the guaranteed funding file. This project will allow public viewing access, as well as giving additional facilities for tying up transit fishing vessels, as the season needs.

Commissioner Halsted urged staff to do whatever is necessary for the next round of competition to ensure getting funding for the restoration of the building. Mr. Osmundson indicated that the next round closes August 15, and it is staff's intention to bring in a very focused application, perhaps a distinct physical segment of the building, such as a lobby for this competition.

Commission acknowledged the good work of Dave Mercado of the Planning and Development staff in putting together the successful application for Pier 47A.

ACTION: Commissioner Halsted moved approval of Resolution No. 93-69, seconded by Commissioner Chang-O'Brien, carried.

President Herman asked if there was any new business to be brought before the Commission. There being none, the Commission withdrew to executive session for discussion of a personnel matter, specifically authorized under California Government Code Section 54957. At the conclusion of the executive session, the meeting adjourned at 5:30 p.m.

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., June 9, 1993
3100 FERRY BUILDING, SAN FRANCISCO,
CALIFORNIA

PORT OF SAN FRANCISCO

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

3. **EXECUTIVE**

A. General Manager's Report

4. **CARGO SERVICES**

A. Authorization to award Contract No. 2552, Pier 94 Container Cranes Modifications.
Resolution No. 93-73

B. Authorization to enter into an agreement with PG&E for additional services to Container Terminal North.
Resolution No. 93-74

C. Refunds and allowances for the period ending April 30, 1993.

5. **TENANT SERVICES**

A. **Consent Calendar**
L-11788, Gregory Fung, M.D., Pier 26, 1 year, m/m thereafter, storage.
L-11790, Tutor-Saliba-Perini, Pier 30, 3 yrs, right to terminate after 2yrs.
L-11787, Essam Elmahgoop, WTC 250-S, one year, translator's office.
L-11789, Tutor-Saliba-Perini, Agriculture Bldg., 3 yrs., construction office.
Resolution No. 93-75

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6. **PLANNING & COMMUNITY AFFAIRS**

A. Resolution authorizing the Executive Director to enter into a professional services with Sedway & Associates to provide consulting services for the proposed Fisheries and Environmental Research Center on Pier 45.
Resolution No. 93-72

7. **INTERNAL SERVICES**

8. **LEGAL**

9. **NEW BUSINESS**

10. **ADJOURNMENT**

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING

WEDNESDAY, JUNE 9 , 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission convened in regular session at 4:05 p.m. Vice President Halsted called the meeting to order, in the absence of President Herman who was traveling out of state. All other Commissioners were present.

1. ROLL CALL

PRESENT: Anne Halsted, Vice President
Ming Chang-O'Brien, Commissioner
Preston Cook, Commissioner
Francis J. O'Neill, Commissioner

ABSENT: James Herman, President

2. APPROVAL OF MINUTES

Vice President Halsted asked if the Commission had any corrections or additions to the minutes of the meeting of May 26, 1993. Commissioner O'Neill asked for a correction on page 1 under the Approval of Minutes, and said he recalled his statement as follows: "How do we justify hiring additional staff, as outlined in the two page press release just received". Therefore he asked that the minutes be corrected and replace the phrase "in the public relations department" with the following words "as outlined in the two-page press release just received."

Vice President Halsted asked if the Commission could act on those minutes without having calendared the matter. City Attorney agreed that it would have to be calendared before any action, and said she would be happy to have the minutes corrected and calendared for the next meeting. Commissioner O'Neill demurred stating the minutes he was asking to correct were for the meeting of May 26, at which meeting the Commission acted to have his words changed even though he was not present. City Attorney Van Nostern and President Halsted both agreed that the matter needed to be calendared because it was the minutes of the May 12 meeting which were being amended.

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Commissioner O'Neill did not agree, stating that his request was to amend the May 26 minutes which reference the minutes of the previous meeting of May 12. It was ultimately agreed that this could be acted on, and Commissioner O'Neill's statement was amended as requested by motion , seconded by Commissioner Chang-O'Brien, carried. The minutes for the meeting of May 26 were accepted as corrected by a motion from Commissioner Chang-O'Brien, seconded by Commissioner Cook, carried.

3. EXECUTIVE

Mr. Abernathy introduced Sharon Lee Polledri as the Port's new planning director, and President Halsted welcomed her to the Port. In deference to Ms. Polledri's schedule, Mr. Abernathy said he would like to postpone the briefing on the waterfront planning process originally scheduled for the next Commission meeting until the first meeting in July. Regarding the budget process, he reported that three vacant positions have been eliminated from the Port; electrician, senior typist-clerk in Tenant Services, and public relations specialist in Tenant Services. These positions were zero-funded meaning the Port did not have any money in the budget for these positions. There was an issue regarding the elimination of three public relations positions which technically were eliminated. However, these positions are in the process of being restored.

Commissioner O'Neill also welcomed Sharon Polledri to the Port, and asked Mr. Abernathy if the director position is an acting or interim position since the resolution was not specific. Mr. Abernathy explained that Ms Polledri's appointment as Director of Planning is for a limited tenure, so that when a permanent Executive Director has been appointed, it would be his or her option to retain her in that position.

Regarding the appointment of a new Executive Director, Commissioner O'Neill asked for an update on the executive search being conducted by Heidrick & Struggles, and Commissioner Halsted replied that she had spoken with Betty Armstrong who informed her that she had something like fifteen or twenty applications in hand, which in her estimation, were excellent. Ms. Armstrong expects to report on the resumes received at the at the next Commission meeting on June 23.

The Mayor is expected to sign legislation by Friday, June 11, 1993, which will refund $1 million to the Port. Standard & Poor's has been notified and we are working with their staff to resolve the Credit Watch status.

4. CARGO SERVICES

A. Mr. Abernathy addressed the Commission regarding the award of the container cranes modifications contract, and stated that he is recommending that the Commission award only the base bid of this contract to Rigging International, and exercise its discretion by not awarding all of the additive items listed therein. Mr. Abernathy opined that if the Port had the funds available he would like to do all this work. But given the limited resources available and the projects competing for those funds, the judgment applied here is to determine whether a project is revenue-generating, necessary to satisfy a customer, essential for health or safety reasons, or if a project is necessary for property maintenance or revenue protection. He was therefore recommending the Commission not award the full amount that has been appropriated, and reserve a portion for a number of unfunded projects.

Chief Harbor Engineer Jarrard explained that of the five bids received, four contractors were non-responsive for a variety of reasons, (non-HRC certified, did not meet subcontracting goal, expired "A" License, wrong spreader) and only one contractor, Rigging International, fulfilled all of the bid requirements. Engineering staff met with Mr. Abernathy and decided items 3, 5, and 8 are the most cost effective and recommends awarding the base bid, and these items be awarded to Rigging International in the amount of $1,847,383. The award of item 3 to Rigging International should be provisional, pending resolution of D.B. Murphy's license situation.

Mr. Vic Rollandi of Rigging International distributed a letter which he read addressing some aspects of the issue which his company wanted to bring to the Commission's attention. (Letter dated June 9, 1993 made a part of this record by reference.) The letter states that bid alternates 2, 4, 6, 7, 9, and 10 are not to be awarded because the Port wishes to use the difference between the approved appropriation of $2,300,000 and the total downwardly-revised cost of $1,625,239 for Port projects unrelated to the subject crane modifications. Rigging International questions that the Port has the authority to re-allocate portions of the $2,300,000 appropriation for other than the intended use as specifically set forth. Rigging International contends that all of these monies should be applied to their designated and Board-approved use instead of to the alternate uses proposed by the Port.

Discussion followed between Commissioner Chang-O'Brien and Mr. Rollandi in light of the revised percentage of work recommended, and Mr. Rollandi agreed that if the other contractor fails to meet the license requirement, Rigging's figure before contingency would be another $400,000.

Commissioner O'Neill asked if it is within the Commission's purview to deviate from our bid. Mr. Rollandi assured the Commission that his was not a legal challenge but merely a question. City Attorney Van Nostern advised that it is the Commission's authority and ability (not the Board of Supervisors) to determine how to award a contract. It is a business decision on the part of the Port as to what items are to be awarded.

ACTION: Moved by Commissioner Chang-O'Brien, seconded by Commissioner Cook, carried.

B. The Commission was requested to authorize staff to enter into an agreement with PG&E for additional services to Container Terminal North. In order to provide upgraded electrical power to this terminal, PG&E must perform utility work and therefore it is necessary for the Port to enter into a written agreement with PG&E. Pending final negotiations and approval as to form by the City Attorney's office, Commission is asked to authorize the Executive Director through the Chief Harbor Engineer to enter into this agreement for subject work in an amount not to exceed $585,442.90.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Cook, carried.

C. The Commission next approved refunds and allowances for the period ending April 30, 1993 in the amount of $28,017 by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

5. TENANT SERVICES

A. Mr Janis requested postponement of lease L-11790 until the next meeting. Ms. Schimke presented the remaining leases for Commission review and approval: L-11788, L-11787, and L-11789, and asked that approval of L-11789 be conditioned on receipt of final documents, anticipated in the next day.

ACTION: Moved by Commissioner Chang-O'Brien, seconded by Commissioner O'Neill, carried.

6. PLANNING & COMMUNITY AFFAIRS

A. The Commission next reviewed a request to enter into a professional services contract with Sedway & Associates. This contract in an amount not to exceed $150,000 is to provide consulting services in determining the feasibility of a Fisheries & Environmental Research Center on Pier 45. Funding for the contract will be provided by the National Oceanic & Atmospheric Administration under a grant which was awarded to the Port in September of 1992.

The Commission moved approval of the contract approving Resolution No. 93-72 by motion of Commissioner Cook, seconded by Commissioner Chang-O'Brien, carried.

INTERNAL SERVICES

LEGAL

NEW BUSINESS

Eula Walters, a member of Citizens for Open Space, expressed her concerns regarding the Commission's role in permitting certain uses on the Embarcadero, and questioned the appropriateness of such uses as a weekly farmers' market, a proposed parking structure, and planting of 40 ft. high palm trees.

Vice President Halsted commented that it was news to her that the Commission planned either a permanent farmer's market, or a parking facility. Ms. Walters said it was her understanding that one of the piers has been offered to the Farmers' Collaborative for a permanent farmers' market, and asked if this Commission was not the proper agency to address her concerns, to which agency should she be directing her questions.

Commissioner O'Neill informed the speaker that the current farmers' market is for a six-months period only, and that there were no plans that he was aware of for building a parking structure at the location mentioned. It was also suggested that Ms. Walters might wish to meet with Mr. Janis, Director of Tenant Services, if she has further concerns regarding use of the Port's property.

Another member of the public, Virginia Conway, criticized the fact that the Port budget was not printed on both sides of the paper as required. She also reminded staff that meeting minutes, as well as agenda notices, are to be printed on both sides of letter-size sheets of paper. The Commission and staff agreed to the importance of being in compliance with this regulation on all its documents, particularly voluminous ones, such as the budget, and other departmental reports.

This concluded the Commission meeting, and a motion for adjournment was made by Commissioner Cook, seconded by Commissioner O'Neill, carried.

SAN FRANCISCO PORT COMMISSION

-93 REGULAR MEETING WEDNESDAY,
4:00 P.M., June 23, 1993
3100 FERRY BUILDING, SAN FRANCISCO,
CALIFORNIA

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AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

3. **EXECUTIVE**

A. General Manager's Report

B. Status Report on Executive Search (Heidrick & Struggles)

4. **CARGO SERVICES**

A. Approval of Fourth Extension of SSA Management Contract to August 31, 1993.
Resolution No. 93-77

B. Approval of Second Extension of Terminal Revenue Sharing Agreement with Blue Star Line and Columbus Line to August 31, 1993.
Resolution No. 93-78

5. **TENANT SERVICES**

A. **Consent Calendar**
L-11794, Market Insights, WTC 336, 1 year, management office.
L-11793, Hanse Shipping Agency Inc., WTC 204, m/m, shipping office.
L-11774, Harbor Bay Maritime Inc., Pier 48B, 2 years, ferry boat support.
Resolution No. 93-79

B. Approval of Pier 35 Management Leases:
1) Waterfront Promotions, 5 year lease. Resolution No. 93-80
2) Metropolitan California, 5 year lease. Resolution No. 93-81

5. **TENANT SERVICES** (continued)

C. Status of Accounts Receivable for period ending May 31, 1993.

D. Authorization to accept work and make final payment on Contract No. 2582, Drydock and Overhaul of Fireboat "Guardian".
Resolution No. 93-82

E. Authorization to execute a modification to Contract No. 2581, Earthquake Damage Repair Project - Pressure Grouting.
Resolution No. 93-83

6. **PLANNING & COMMUNITY AFFAIRS**

7. **INTERNAL SERVICES**

8. **LEGAL**

9. **NEW BUSINESS**

10. **ADJOURNMENT**

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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SAN FRANCISCO PORT COMMISSION
CITY and COUNTY OF SAN FRANCISCO
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WEDNESDAY, JUNE 23, 1993 Commission Meeting

M I N U T E S

The San Francisco Port Commission met in regular session at 4:05 p.m. with all members present.

1. ROLL CALL

PRESENT: James R. Herman, President
Anne Halsted, Vice President
Ming Chang-O'Brien, Commissioner
Preston Cook, Commissioner
Francis J. O'Neill, Commissioner

ABSENT: None

2. APPROVAL OF MINUTES

President Herman asked for corrections or additions to the minutes of the June 9 meeting. Hearing none, he asked for a motion to approve the minutes of this meeting. Commissioner Halsted moved approval, seconded by Commissioner Cook, carried.

3. EXECUTIVE

Mr. Abernathy reported on today's budget hearing before the Board of Supervisors. He indicated that as a result of a prior meeting with Harvey Rose, the Port and the Budget Analyst' office agreed on a budget goal , and rather than the Budget Analyst going through and making line item cuts, the Port will determine where the cuts will be made based on our business judgment. Rose concurred with that, and presented it to the Board today, and they had no problem with it. One problematic area was that of Port's contribution to city services, and I agreed to further discussions with the Budget Analyst in the matter of police services.

President Herman complimented Mr. Abernathy on the uniqueness of his proposal, and said it made sense to him that Mr. Rose agreed to allow Mr. Abernathy and his colleagues to find the most prudent way to find the money and apply the cuts without rupturing Port programs.

Mr. Abernathy informed the Commission that Standard & Poor has informed him that an announcement is imminent which will rate all ports having uninsured rateable debt. Two of these ports, Long Beach and San Francisco were tentatively downgraded one notch, from A Minus to Triple B+. Mr. Abernathy said a final decision will be made within the next two weeks, but in the meantime we are in conversation with S&P in New York. Mr. Abernathy said our financial advisors are in on these conversations, and Standard & Poor's has agreed to relook at the issue.

Mr. Abernathy talked next about the planning charrette scheduled for July 8, and 9 on the renovation of the Ferry Building, and the enthusiastic response to it. After an informational briefing to the participants, there will be a day and a half working session, concluding with a presentation to the Commission of their views and recommendations. This will be in the form of a special Commission meeting at 3;30 p.m. on Friday, July 9.

Commissioner Halsted reported briefly that the executive search by Heidrick & Struggles is proceeding well, and that applications have been received from a number of well-qualified individuals. The Commission will be presented with resumes of the most qualified applicants at executive session at the regular meeting of July 14.

Commissioner Halsted thanked Friends of the Port for sponsoring the public boat tour which took place on June 11, and which was very successful with 240 people in attendance. A motion to extend special appreciation to the Friends' Committee for the Boat Tours, Anton Sabella, Roger Murphy, Mara Brazer, and Rosalie Ross was made by Commissioner O'Neill, seconded by Commissioner Cook, and carried.

4. CARGO SERVICES

A. Roger Peters, Cargo Services Director, presented a request for the fourth extension of the management contract with SSA until June 30, 1993. Due to unforeseen customer negotiations involving both SSA and the Port, a new agreement has not yet been agreed to. In order to assure uninterrupted service to our steamship line customers, the Commission is requested to extend the current contract until the end of August.

President Herman observed that there seemed to be some foot-dragging on this issue, at the expense of the Port, and he urged that both parties bring the issue to a speedy conclusion, sooner than the end of August if possible. He opined that he had not heard of any reason that would prohibit a more expeditious settlement, and reiterated that this matter should be brought to a conclusion in a speedy fashion.

ACTION: Motion was made by Commissioner O'Neill to approve Resolution No. 93-77, seconded by Commissioner Halsted, carried.

B. Commission was requested to approve a second extension to the terminal revenue sharing agreement with Blue Star Line and Columbus Lines, due to expire June 30. We have been informed that these lines will be leaving San Francisco and using a terminal at the Port of Oakland. The two month extension to August will allow for uninterrupted service to their customers, and staff is asking approval of the second extension.

ACTION: Moved approval by Commissioner Chang-O'Brien, seconded by Commissioner O'Neill, carried.

5. TENANT SERVICES

A. Mike Janis, Tenant Services Director, asked the Commission to remove two items from the agenda: Lease L-11774, Harbor Bay Maritime, Pier 48B, on the consent calendar, and Item B(2), the Pier 35 management lease for Metropolitan California Stevedore Company. Ms. Schimke presented the remaining leases for Commission review and approval: L-11794, L-11793, and Pier 35 Waterfront Promotions lease.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner O'Neill, carried.

Commissioner Cook inquired about a property matter which was postponed at the last meeting, and Ms. Schimke responded that staff would be back to the Commission on this issue within the next two weeks.

C. Mr. Janis updated the accounts receivable report presented from Tenant Services, indicating additional payments from Flying Dutchman in the amount of $8752.41, Meatball Bait Distributors a payment of $4580.40, Mr. Menzel $1,000, and Sinbad's Restaurant $5566.31.

D. Cliff Jarrard, Chief Harbor Engineer, asked the Commission to authorize acceptance of work and final payment on Contract No. 2582, Drydock and Overhaul of Fireboat "Guardian". This project was funded through the Fire Department, originally for $80,000, which was insufficient for the low bid of $91,415, and the Fire Department agreed to fund the additional $11,415. During the work of the contract, the Department elected to provide additional funding for additional alternatives including work on the rubber fender, air tanks, hose reels, flood lights, fantail gratings, hand rails, davit winches, electrical panel, and exhaust pipe flanges. The total amount to be paid to Fulton Shipyard is $116,415.

ACTION: Commissioner O'Neill moved approval of Resolution No. 93-82, which was seconded by Commissioner Cook, carried.

E. The Commission was next asked to authorize staff to execute a modification to Contract No. 2581, Pier 45 Earthquake Damage Repair Project - Pressure Grouting. This contract is the second stage of earthquake damage repair to Pier 45, and provides pressure grouting to strengthen the soil foundation in Sheds A, B and C. The first phase included grouting of three test patches to determine the effectiveness of soil strengthening. As a result of the tests, the Port's consultant AGS, Inc. has recommended changes in the grout pattern. The revised quantities based on the recommendation will result in a contract increase to an amount estimated to be $2,080,000.

Mr. Jarrard said it is anticipated that all of this work will be funded by FEMA and OES at no cost to the Port, and recommended approval of the contract modification based on the following reasons:

* it reflects the minimum recommended quantity which the Port's consultant calculates will eliminate liquifaction induced instability of the pier.
* this grouting work will be followed by approximately $10,000,000 in additional earthquake repairs on this pier as part of remaining work and the integrity of these improvements would be placed in jeopardy without a proper soil foundation.
* BCDC's Engineering Criteria Review Board will not approve this repair work if the soil foundation does not provide for minimum acceptable safety.
* Any delay in the grouting contract will place the entire repair contract behind schedule and could result in loss of $4,000,000 or more in outside funding for the repair work.

Mr. Jarrard concluded his presentation, and asked the Commission's approval of the modification to this contract for earthquake repair work at Pier 45. President Herman indicated that a couple of the Commissioners have a desire to review the issue a little more than time allows, and have asked to delay for two weeks until the next meeting, and felt this was a fair request. Documentation should be furnished to the Commissioners so that they may have ample opportunity to evaluate it and satisfy themselves on all aspects of the issue. President Herman stated that the Commissioners had a feeling of some discomfort on not knowing all the details and a desire to know more. President Herman opined that such a short delay would not hamper the project unnecessarily.

Mr. Jarrard expressed concern for delaying action on the basis that the project is already behind schedule and that the additional grouting material work will extend the project another four months. Mr. Abernathy suggested that staff could endeavor to answer some of the Commission's concerns at this meeting, thereby alleviating some of the Commission's discomfort. and noting that a two or three weeks delay would still not produce written assurance from FEMA or OES regarding funding for the modification. Mr. Abernathy noted that there is a sense of urgency to get this project into production but affirmed that staff would do whatever was necessary to get the Commissioners their desired level of comfort.

Commissioner Chang-O'Brien asked if the FEMA opinion that is given about the necessity of the process, is that a generic second opinion or is that a second opinion specifically on the 100% increase in the contract.

Jarrard responded that this opinion was generic and was one furnished by the consultant retained by FEMA and addressed the technique itself, as far as the specificity was concerned. FEMA approved the bifurcated contract process, whereby the testing would be done, and from that the amount of grout that was required would be determined. Parenthetically, what was being discussed was a letter from FEMA which staff provided to Commisssioner Chang-O'Brien which endorsed the process, and implicitly that this endorsement follows through with whatever the grouting density is required would be approved.

Commissioner Chang-O'Brien asked Mr. Jarrard if he anticipates FEMA, because of the generic endorsement, coming back sometime in the future, when the process is four or five months underway, with a claim that the scope of the project is much larger than is acceptable to FEMA.

Jarrard responded that this has not been the case thus far on other projects. Once FEMA endorses a project, and OES writes a supplement DSR, there have been instances where the scope of work has changed, and there's been a de-obligation of the funds, and another DSR written. We haven't experienced that where FEMA has come back and said no. FEMA is well aware of the Port's exposure right now. We have a contractor right now who is on hold, and we are negotiating right now with that contractor, and as counsel reminded me, there is a possibility of a claim by that contractor, because we are now delaying that contractor.

Mr. Abernathy interjected that it was his understanding that on this subsoil condition there is no technical issue, this has to be done to achieve the stability that is required to use this pier. This is not a contractor issue, this is a real world issue.

Jarrard said, "This is an Engineering Criteria Review Board, BCDC issue, and BCDC has recognized the need for this work, and has in fact endorsed the type of fix that our consultant has recommended. The Port cannot change what our contractor has to do. BCDC will not issue our permit without doing what the consultant recommends.

President Herman questioned whether the Commission was being told that to allow a delay in this instance would cause something to happen, when under ordinary circumstances, a request for delay is pro forma, and when a member or members of the Commission prefer to have a little more time in order to be more comfortable with a proposal made, this has been the policy of the Commission.

Jarrard acknowledged that there was the risk of a contractor's claim, as well as the exposure of having to complete work by a certain date, which can only be extended to a point.

Halsted suggested postponing the matter one week until the workshop meeting of July 9, thereby satisfying the Commissioner that this major expense was being appropriately handled. As Commissioner Herman pointed out, in every other case that she could recall, where a Commissioner asked for a reasonable delay, there was an acknowledgement and the delay was granted. Commissioner Halsted made a motion for a one week delay.

Commissioner O'Neill asked that the AGS consultant briefly synopsize the grouting process for the Commission's information.

The consultant noted that the first phase of the contract was to grout certain areas, test them, and see how the soil would respond. Based on the results of the testing, the second phase would proceed. The purpose of the whole grouting program is to avoid catastrophic loss during a major earthquake. Based on the results of the tests we have done, this is the most economical way of improving the soil.

President Herman asked for a second for Commissioner Halsted's motion, and it was seconded by Commissioner Chang-O'Brien.

Commissioner Cook noted that in the resolution there is reference to a certain loss of $4 million if there is a delay. He asked staff for an explanation.

Jarrard stated that the four million dollars represents $2 million EDA grant and $2 million state grant, and under the conditions which the funds were received, the money must be expended within a certain time. Because of delays in the contract, we have already gotten extensions to 1995. The Port has been advised that if the work isn't done by that time, we could lose the money altogether. FEMA has also told us that the Agency will not pay inflationary costs due to arbitrary delays.

Commissioner Cook asked if FEMA would interpret a vote for delay by this Commission as arbitrary. Mr. Jarrard indicated he did not think that would be the case. However, he did feel there is risk of a contractor's claim. City Attorney Maerz explained that under the contract specifications provide for a 21-day downtime between phase 1 and phase 2. That 21-days has expired, so for every additional week we delay beyond the 21-days, it is conceivable that the contractor could claim that provision would apply for reasonable delays beyond the 21 days, and would not apply ad infinitum. Should a claim be filed, it would be up to the court to decide, what is or is not unreasonable. The longer we push this, the harder it is to argue the delay was reasonable.

Commissioner Cook felt that he did not feel a delay was warranted, and asked for enlightenment by other Commmissioners as to what they needed. He said he would have to vote against a postponement, since it hasn't been brought out what kind of new material would be brought out that would enlighten my fellow Commissioner. Commissioner Cook said he could see no purpose in a delay, as it was fully explained, however he was willing to hear what reasons other Commissioners had for a delay, since he had heard no reason to delay.

Commissioner Chang-O'Brien said she had raised the issue with staff regarding the necessity, one, of doubling the budget, and two, whether or not it was possible to get a second opinion from a neutral party, because it is a technical issue. She stated that she wasn't comfortable with Engineering and the seismic aspect. Given the budget constraints, and the fact that the amount under discussion is almost a million dollars, Commissioner Chang-O'Brien felt it was only prudent to get a second opinion, such as BCDC Engineering Criteria Review Board. She suggested to staff to look for other ways to increase "our comfort level" without going out and adding another $800,000 on the contract.

Mr. Jarrard indicated that the second opinion which Commissioner Chang-O'Brien was looking for was already furnished by Preece/Goudie & Associates, a structural engineer firm, which was hired by FEMA independently, and which endorsed the "method selected.....to provide the stability needed to assure satisfactory performance during the next major earthquake event". The letter from Mr. Preece was provided to the Commission in the backup material for this item.

Commissioner Chang-O'Brien opined that Mr. Preece's endorsement was only conceptual and wanted staff to provide some reommendations to give her a greater degree of comfort . She said she was looking for a second opinion specifically on the scope of the contract. Commissioner Chang-O'Brien said she would personally feel more comfortable voting for something that was absolutely necessary.

Mr. Jarrard explained that even if the Port were to hire another consultant and obtain a second opinion, notwithstanding the Port is committed to a method of repair from which we can't back away.

Mr. Abernathy agreed that the Port can't go out and stop the process, the grouting process is the one we're doing but suggested the questions the Commissioner was asking were: "Could we do less grout, could we do it in another way, is it the right quantity?

Mr. Jarrard replied that this is why we hired our consultant AGS, they're the experts. We have to rely on AGS we can't preempt those experts. The consultant has done his professional best and has given us his recommendation.

Mr. Jim McFarlan, Project Engineer, stated that AGS has designed a seismic system to resist earthquakes, with the grouting just a part of the system. If we had ten consultants, we could have ten different designs.

Commissioner O'Neill said he would like to see the Commission move forward with this and support the recommendation. He noted that we are in jeopardy of losing $4 million due to the fact that we are already two months behind schedule now. It was his opinion that we are taking some undue risk here, as well as sending out a very negative message to our Fisherman's Wharf tenants, who are begging for us to move ahead with the repair of Pier 45. Commissioner O'Neill strongly urged the Commission to go forward with the Pier 45 project by approving the resolution.

Commissioner Chang-O'Brien suggested that in the future there be should be check-points in the contract process so that the Commission can be given a certain level of assurance of the necessity of the work.

Mr. Jarrard stated that based upon all the information available at the time of the original presentation, the Commission was advised at that time, the cost of this work was between $1.8 and $3.6 million. Jarrard reiterated the fact that the Commission was apprised of the fact that the contract could cost that much, and in fact, the contract will cost about $2 million.

Commissioner Chang-O'Brien asked if the contract could you have tightened the bid specifications so that you could compare apples and apples of the various proposals.

Staff replied that the contract was structured in such a way that it provided for a certain amount of concrete grout and a certain amount of pipes per linear feet, not in linear feet of pipe so that all contractors were bidding on the same process. There was nothing we could have structured differently, and as indicated, the Port got a terrific bid . This contractor bid almost $400,000 less than the next lowest bidder. The contract was set up as competitively as it could have been set up based on the informaion we had at that time. Jarrard said it was important to keep in mind that the construction contractor has nothing do with the consultant or FEMA. Each is a separate entity.

President Herman stated that it should be anticipated that in these times of greater necessity, this Commission will be applying even greater scrutiny of all issues involving any kind of money. We have people on this Commission who want to be comfortable with all things done. In view of the many things which have been delayed and postponed over the years, Commissioner Herman said in all the years he had been on the Commission, he had never heard such dire consequences being predicted nor seen anything that resembled this kind of reaction to what is a pro forma request for an extension. Commissioner Herman said he had never seen the case where a Commissioner or a group of Commissioners did not have a comfort level sufficient to warrant support for something did not automatically get at least a one meeting extension. He believed time has to be allocated, and sufficient information provided so that the Commission has the assurances needed. It was difficult for him to believe that we are up against a deadline so rigid that a delay until July 9 risked such dire consequence. We have an attorney giving us advice, which I find highly unique, on something like that. Herman asked why a delay of one meeting should cause such consternation as to have the Commission "throw caution to the wind" in an amount of money that in and of itself is frightening.

Jarrard questioned the practicality of a delay since it was difficult for him to see what other additional supporting documentation staff could bring forward within that time period to bring the Commissioner a measure of comfort.

President Herman cautioned Mr. Jarrard that it was improper for him to presume that it would not be possible that that Commissioner would not come back with something that would justify such a delay.

Commissioner Cook interjected the thought that perhaps it is not only this issue but a multitude of issues that causes a lack of comfort on the part of the Commission. He has reservations himself about the paucity of information being provided on many issues being presented to the Commission for consideration. Specifically he mentioned a need for amplification on the concept, the depth, on the amount of money, on the process that staff has to go through to bring a resolution before this Commission. However, he opined that the Commission is compelled to vote, and vote affirmatively on this and in a situation such as this, have trust in staff that they have done their homework, done the research, hired the consultants, gotten various opinions. Therefore, it would behoove us to move the process along as quickly as possible and votefor this resolution.

President Herman reiterated to his fellow Commissioners that wherever there isn't a sufficient amount of confidence on any issue that is on the table by this Commission, I regard it as automatic to grant a delay to that Commissioner. I think it is a matter of respect to that Commissioner's reservations and yearning for more information, and greater clarity. To the new Commissioners, President Herman offered his assurance that as long as he is chairman, he will afford every opportunity to any Commissioner who believes there should be delay until whatever form is taken, so long as the delay is not capricious. All of the Commission have to be comfortable with whatever action they are called upon to undertake on behalf of the City and County of San Francisco.

On the matter of the degree of information provided in the Commission packages, staff said they tried to strike a balance, particularly from the engineering standpoint, presenting material that is comprehensible and informative, and the clarity is there. Jarrard stressed that he and his staff are always available to the Commission should they have questions or a need for greater clarification on any matters to be considered for action.

Commissioner Halsted applauded the new input of Commissioners coming onto the Commission, commenting that they are bringing a a fresh view as to whether the information we are looking at is sufficient from your perspective. Our role is to use our own commonsense to see whether or not the public is being served. I feel fairly strongly that if a new Commissioner has a concern and wants to take a second look, then we should give them that and that is the basis for my voting to delay.

President Herman said there is a motion before the Commission which has been seconded, to delay this proposal until the meeting of July 9. Mr. Abernathy interjected that this is the planning charrette presentation and would be a single subject agenda.

Commission discussed alternate dates to correspond with Commissioners' schedules and it was suggested that a special meeting be held on Tuesday, June 29, at 5 p.m. This was agreed to, and Commissioner Halsted's motion was amended. President Herman asked for a vote on a special meeting at 5 o'clock on Tuesday, June 29.

ACTION: On the motion, Commissioners Halsted, Herman, Chang-O'Brien, Cook: Affirmative votes, O'Neill, opposed. The motion carried, and so ordered.

Commissioner O'Neill said he welcomed the comments expressed by President Herman regarding the pro forma policy of the Commission and that it is automatic to honor a Commissioner's request for delay. However he expressed surprise that in contrast when, on a recent occasion, a delay was requested in writing by a Commissioner, it was ignored.

President Herman opined that the current situation was not analagous to that particular request, and that it was not his recollection that he had said there had <u>never</u> been a denial for a delay.

6. <u>PLANNING & COMMUNITY AFFAIRS</u>

7. <u>INTERNAL SERVICES</u>

8. <u>LEGAL</u>

9. NEW BUSINESS

President Herman asked that the Commission consider hosting an event to honor the visit of the Shanghai delegation to San Francisco in late July. All Commissioners are invited to attend, and it is hoped that the Shanghai-Sister City Committee will participate. Commissioner O'Neill noted that this group is being sponsored by the Summit-Pacific organization, and it was agreed to work in conjunction with this group; adding that the Port welcomes the Shanghai-Sister City participation.

Mr. Donald Miner, from D.& M. Plastering, asked the Commission for help with a situation resulting from work his company had performed under Contract No. 2577, which was a contract awarded to Ernie Lowe & Sons Construction for earthquake repair work. Mr. Miner explained that he was a subcontractor to Ernie Lowe on this contract, and now has a claim against this contractor regarding payment. Mr. Miner informed the Commission that although he had a meeting with a Port representative, and Mr. Lowe regarding this matter, no resolution was forthcoming from that meeting. Mr. Miner was before the Commission to ask for a further meeting with Port staff. Mr. Jarrard indicated although he was not aware of any problem he would be glad to meet with Mr. Miner to resolve whatever issues he does have.

President Herman asked that Mr. Miner contact the Chief Engineer to set up this meeting for an opportunity to present his claim and work out whatever difficulties there are.

This concluded the Commission meeting, and a motion for adjournment was made by Commissioner Cook, seconded by Commissioner Halsted, carried.

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11 PORT COMMISSION

NOTICE:

SPECIAL MEETING
5:00 P.M., June 29, 1993
3100 FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

111 AGENDA

1. **Authorization to execute a modifcation to Contract No. 2581 Pier 45 Earthquake Damage Repair Project - Pressure Grouting**

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CITY and COUNTY OF SAN FRANCISCO
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TUESDAY, JUNE 29, 1993 Special Commission Meeting

MINUTES

President Herman called the special meeting to order to discuss the modification of a contract with Pressure Grouting Company for earthquake damage repair work at Pier 45, a matter which was continued from the previous meeting of June 23 by motion. Today's special meeting is for the purpose of providing additional information on the proposed modification. Commissioner Ming Chang-O'Brien has furnished a list of questions to staff regarding this agenda item.

Mike Janis briefly reviewed the historical background of this issue, beginning with the Loma Prieta earthquake and its resultant damage to Pier 45, causing the necessary restoration of the damaged pier. A design standard was set, in consultation with BCDC's Design Criteria Review Board, to withstand an earthquake of the magnitude of 8.3 (1906 earthquake). Alternatives for fixing the pier were looked at, and ultimately staff focused on two alternatives: one, was driving of piles, and the other, was densification in the pier. The first alternative did not work in this case because it doesn't take care of the liquefaction problem. A number of methods for densification exist - removal of all soil, and replacement with denser soil, dynamic compaction are two. The method focused on by Port staff was compaction grouting, a decision reached after much input from BCDC, the Engineering Criteria Review Board, as well as consultation with FEMA. As a matter of record, FEMA hired an independent consultant for its own evaluation of the proposed fix the Port was recommending . A copy of the letter from Preece/Goudie & Associates (FEMA's consultant) endorsing this method was presented at the meeting on June 23, and is also a part of today's documents. A contract was then advertised in 1991 which was separated into two components. The first was to test the soil to determine how much grouting was needed to meet the 8.3 design standard. The second part was to actually do the compaction grouting to meet that standard. At that time, the Commission approved the amount of $250,000 for testing, and a range of $1.5 million to $3.3 million for the compaction grouting. At that point, it was explained that until the testing was done, the actual amount of grouting that would be needed could not be determined. This was in November of 1991, and was approved by the Commission.

The Commission took a moment to review the bid documents for Contract No. 2581. Commissioner Chang-O'Brien asked Mr. Janis if a limit was placed on the contract amount of $1.8 million at the time the contract award was approved, that if the contract exceeded that amount it would come back to the Commission.

Mr. Janis deferred to Mr. Jarrard, Chief Harbor Engineer, who affirmed that this was the reason for being before the Commission today.

Reviewing the Phase 1 test process, Mr. Janis stated that three test patches were grouted and then tested by AGS (Port consultant) to determine the effectiveness of the soil strengthening. Mr. Janis detailed the process in depth, noting that three cone penetration tests were performed in each test area for a total of nine tests. After evaluation of the test results, AGS recommended the compaction grouting procedure used in Test Area 3 as the most economical method of improving soild conditions to eliminate liquefaction-induced potential at Pier 45. The recommended grout pattern increased from 2 cubic feet every 2 feet vertically on a 5-foot spaced horizontal grid to 6 cubic feet of grout every 2 feet vertically on a 6-foot spaced horizontal grid pattern. The revised quantities based on the Consultant's recommendation result in a contract increase estimated to be $2,080,000 requiring an additional $797,000.

Referring to the list of questions from Commissioner Chang-O'Brien, staff responded as follows:

1. Is the scope of grouting compression work necessary? In light of the extent of the additional work required, could there have been alternatives?
   Given the process that was chosen, there are no alternatives. The technique selected is the most cost-effective method.
2. Is the modification proposal competitively priced?
   Yes. In fact, running the cost numbers out, from the bid sheet, the second low bidder would cost us $360,000 more for the exact same process. Essentially, this price is $360,000 cheaper than the next low bidder. It is competitively priced. We did get six bids.

Commissioner Chang-O'Brien asked for a breakdown of the bid, and Mr. Janis read from the bid sheet as follows: Pressure Grout Company bid $6.00 per unit for Shed A, $7.00 per unit for Shed B, $6.00 per unit for Shed C for a total with the modification of $2,080,000. The next lowest bidder at $7.00 Shed A, $7.00, Shed B, $7.00 Shed C, for a total of $2,440,000.

Commissioner Chang-O'Brien said staff is making the assumption that the other five bidders would come back with the same modification.

Abernathy explained that the modification was not driven by the bidder , but rather by the Port. The amount is determined by the consultant, not the contractor telling the Port how much they need.

Janis explained further that comparing the next low bidder, Ranger Pipelines-Ruiz' bid of $7 per unit for all three sheds to Pressure Grout's bid, and including that company's request for a 2% increase in the base unit price , the difference between the two bids still amounts to $360,000. And of course, each of the other four contractors' bids would even be higher.

Commissioner Halsted said that when the contractor submits his bid, he is committing not only to the total price, but to the unit price, which in this instance, is more crucial.

City Attorney Maerz noted that the contractor is committed to that unit price, up to a 25% increase. Beyond that 25% it is subject to negotiation. Pressure Grout is asking for a 2% increase, which would bump his unit price up to $6.12 which is still considerably lower than the next lowest bidder at $7.00. Staff is endeavoring to hold Pressure Grout to a no-cost increase.

3. What future modifications or change can we expect from the contractor?

Staff did not expect any more than with any other contract, nothing else unique about this contract. The modification that we are asking for here is driven by us, not something the contractor asked for, or due to any negligence on the contractor's part. As to what controls are in place to prevent unnecessary cost overruns, the Port has a full-time inspector on the job who has been trained on reading the instruments, is familiar with the process.

Regarding the possible loss of grant funds from U.S.EDA, Dept. of Commerce, staff stated that all money from this grant would have to be disbursed by the federal government by September 30, 1995. Ms. Sanchez noted that federal regulations require the grant be used within a five year period, and the schedule for this contract is already very tight.

5. What written assurance do we have from FEMA on project reimbursement?

A letter from Office of Emergency Services endorsing the modification and the supplemental appropriation is the first step. Staff has met with FEMA and OES, and their representatives have indicated their support.

Commissioner Chang asked if there is anything in the contract to prevent the contractor from coming back for additional modifications?

City Attorney reiterated that this is not a contractor's request but is a City's request for modification. The Port is asking the contractor to do something more than what was originally contracted for, and as such the contractor is being held to the unit price that he bid for, based on the original contract. This contract is pretty uniform with respect to all city construction contracts, in that the City (Port) is asking the contractor to do something additional, therefore the contractor has the right to renegotiate. Ms. Van Nostern said it would be more appropriate to address the question of additional modifications to the consultant, AGS.

Dr. Khamenehpour, of AGS, responded by stating that based on the results of AGS' evaluations they recommended the grouting procedure used in Test Area 3, in order to eliminate liquefaction-induced soil instability potential at the site, and at this point do not anticipate any chnage, from the consultant point of view. From the contractor's side there should not be any significant changes, but sometimes they encounter some difficulty.

Mr. Rob Maerz, Deputy City Attorney, responded to Question No. 4 regarding the State public bidding procedure, and noted that the provisions in the Public Contract Code do not apply to the City and County of San Francisco which has its own Charter and Administrative Code. There is nothing under State law or under the City's Charte, that preclude this Commission from entering into this contract modification. As stated earlier, the contract specifications in this instance require the contractor to honor his unit price up to a 25% increase. Beyond the 25% the contractor is entitled to renegotiate. In this instance, the contractor has asked for a 2% increase which is negligible in comparison with the second low bidder's price of $7 per unit. Even at a 2% increase you are looking at $6.12.

Commissioner O'Neill asked if we are in the penalty phase of this contract? Maerz asked if Commissioner O'Neill was asking is the contractor subject to liquidated damages, the answer is no. The contractor has not asserted a claim against the Port for his overhead and delay damages as a result of the Port's going over the 21-days.

6. In light of the 18 months delay of the presentation of this issue, what possible effect could a continued short delay have on any of the parties involved.

Mr. Maerz noted that the ramifications regarding FEMA have already been discussed, and said it would be more appropriate to reconvene in executive session for any discussion regarding the contractor.

President Herman said we are at the point of sanctioning this agreement, and asked for comments from the Commission. He called on Commissioner Chang-O'Brien for her comments.

In light of the recent downgrading by Standard & Poor, and the overall cost-containment issues, Commissioner Chang-O'Brien opined that we don't have the necessary amount of controls and checkpoints in this contract and the modification process. She suggested that the Director bring back to the Commission an overall cost control system to the Port for future contracts.

Commissioner Chang-O'Brien made a motion for the Director to come back to the Commission with a proposal for cost containment within the system, and give an assessment of outstanding contracts, and recommend a proposal for instituting a system for cost control.

Commissioner Halsted asked if this would include changes in policy in our contracting, and this was affirmed.

Mr. Abernathy suggested there were three major issues involved here. One, whether it is prudent on a project where the actual volume of work is dependent on testing to combine both elements e in one big project. There might be certain emergency conditions where that might apply. Secondly, we might need to look at our change order policy so that we have tight policies to keep them under control. And third, there is the issue of scheduling, so that we have better coordination of scheduling, so that the financing and construction are tied together.

ACTION: The motion made by Commissioner Chang-O'Brien, was seconded by Commissioner Halsted, and carried by a vote of all commissioners.

ACTION: Motion was made by Commissioner Halsted to approve the modification to Contract No. 2581, Earthquake Damage Repair Project - Pressure Grouting, seconded by Commissioner O'Neill, carried.

Commisioner Halsted asked to adjourn in the memory of Dave Jenkins, a good friend, who died yesterday. Dave was a friend to many of us here, to the Port, and to the City of San Francisco. Dave Jenkins made a major contribution to the City and to the Port.

President Herman seconded the motion, adding that Dave was an "old agitator, and political activist in this City, and a close personal friend. He will be genuinely missed". The motion was carried, and so ordered. The Port Commission meeting adjourned in the memory of Dave Jenkins.

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Addition to the minutes of June 29, 1993.

Ms. Sanchez addressed this issue and stated that the $2 million received from U.S. EDA, Dept. of Commerce money, was through a grants program, an emergency relief program, administered by U.S. EDA, those funds expire August 31, 1995. Ms.Sanchez said her review of the documents revealed the federal regulations require the grant be used within a five year period. From her review of the documents, Ms. Sanchez said she sees no further discretion that that agency can have beyond the '95 deadline. If the grant were to be extended, Ms. Sanchez said she would need an Act of Congress, because the regulations are pretty specific. All money from the federal government must be disbursed by September 30 of that year.

Ms. Sanchez stated further" that the California Dept. of Commerce money is a little bit more problematic, and said that we are trying to do some quick repair work today. Unfortunately, that money expires tomorrow, that two million dollars. The problem is that was not a regular Dept. of Commerce grant. It was earmarked special legislation, that was one of the success stories of both Assemblyman Willie Brown and John Burton. It did not contain a specific provision that it was a capital outlay project. The agencies have interpreted that as a three year term and the grant documents do say that it is a three year term which means the money expires tomorrow."

"At this time, we are seeking a letter from the Speaker to the Controller so that the Controller can reestablish the grant funds, otherwise the Controller will have to show the two million dollars as funds that were unexpended by the State of California. Barring that, if that doesn't occur we would have to go for special legislation", said Ms. Sanchez.

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PORT OF SAN FRANCISCO

// PORT COMMISSION

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NOTICE

SPECIAL MEETING

3:00 P.M., JULY 9, 1993

3100 FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

/// AGENDA

Presentation of Results from Design and Development Workshop on the Ferry Building

(Information Only)

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., July 14, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

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AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

3. **EXECUTIVE**

A. An executive session is calendared to discuss a personnel matter. The City Attorney's Office is of the opinion that based on existing facts and circumstances, discussion of this matter in open session would prejudice the legal position of the Port. The executive session is specifically authorized under California Government Code Section 54957.

B. Selection of Financial Advisor.
Resolution No. 93-84

C. 1993/94 Budget Update

4. **CARGO SERVICES**

A. An executive session is calendared for discussion of a proposed settlement of Southwest Marine v. CCSF, Superior Court No. 927-789. City Attorney's office is of the opinion that based on existing facts and circumstances the discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.9, subdivision (b)(1).

B. Refunds and Allowances (Cargo/Tenant Service) ending May 31, 1993.

C. Status of Accounts Receivable ending May 31, 1993.

5. TENANT SERVICES

A. **Consent Calendar**
L-11796, American Contract Builders, Inc., Ag. Bldg. #109, m/m, storage.
L-11795, Kathy Nelson, WTC 202, graphic design office, 1 year, office.
L-11797, Gene R. Watts and William E. Blythe, Travel Industry Media,WTC 339, m/m, travel publishing office.
L-11791, Cable Car Charters,Pier 26, 5 year, annual CPI, storage and maintenance.
L-11798, Homer J. Olsen, Inc., Pier 1 1/2, Pier 3, and SWL 324, 2 years, annual CPI, office, shed, construction lay-down.
L-11792, Elizabeth Streicher, Pier 50, 3 years, bar & grill.
Resolution No. 93-87

B. Sales & Rent Report for month of April 1993

C. An executive session is calendared for discussion of real property negotiations with Jeff C. Sears, dba Barbary Coast Pedicab Leasing and Rama Ananda, dba San Francisco Pedicab Tours, concerning Port sites located at Fisherman's Wharf, and Pier 1/2. This office is of the opinion that based on existing facts and circumstances, discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.8.

D. Rent reduction request by Carriage Charter, Inc.
Resolution No. 93-88

6. PLANNING & COMMUNITY AFFAIRS

7. INTERNAL SERVICES

8. LEGAL

NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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CITY AND COUNTY OF SAN FRANCISCO
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WEDNESDAY, JULY 14, 1993

M I N U T E S

President James R. Herman called the meeting to order, with the following members present.

1. ROLL CALL.

Present: James R. Herman, President
Anne Halsted, Vice President
Ming Chang-O'Brien, Commissioner
Preston Cook, Commissioner

Absent: Francis J. O'Neill, Commissioner

President Herman asked for the approval of the minutes, and Commissioner Cook moved approval, which was seconded by Commissioner O'Neill, and carried.

Mr. Abernathy reported to the Commission on the recent Ferry Building design charrette which was held on July 8, 9. The workshop brought together professionals in the field of design, development, transportation, planning and land use economics with the focus on exploring and formulating alternatives for redevelopment of the Ferry Building. Many exciting ideas were forthcoming from the brainstorming sessions and closed with a special Commission meeting to hear the recommendations from the group. Staff is working on a written overview of the these recommendations, and there will be a formal presentation made to the Commission in thirty days as to the process on how to proceed with the recommendations.

Mr. Abernathy also reported on the proposed tenancy in the Ferry Building of the Amtrak terminal, and noted that Port staff has been working very diligently to complete the interim agreement for the relocation into a temporary area. Negotiations will follow to formalize a long-term agreement for more permanent space at the north end of the building.

There was a work stoppage on the waterfront on July 1, 1993 just as contract negotiations were closing on the ILWU-PMA agreement. It was a baywide stoppage with minor effect on the Port with one ship being delayed one day because of the stoppage. Mr. Abernathy said it was his understanding that a memorandum has been arrived at between PMA and ILWU, and is going through the ratification process.

Mr. Abernathy indicated that all executive sessions would be consolidated at the close of the open portion of the meeting.

Commissioner Cook thanked the staff for a job well done on the Amtrak matter, and said he was really delighted that the Port was able to meet a need, and expressed his confidence that this arrangement will work well both for the Port and for Amtrak.

Commissioner Herman made the following comment. "I would like to make the following observation, innocently, that the issue of the ILWU-PMA collective bargaining (although contained in the Direcctor's report), is really not the property of this Port Commission. That's a matter outside and separate from the purview of the Port Commission, and the contract itself is in the throes of a contract ratification procedure, and it remains to be seen what happens to that. I just thought I would make that clear for purposes of discussion, on matters that are not legitimately within the jurisdiction of this Commission."

ACTION: It was moved, seconded, carried to accept the report by the General Manager.

3B. The Commission next reviewed a request by Mr. Ben Kutnick, Port Finance Officer, to approve the selection of Public Financial Management and The Knight Group as financial advisor to the Port. Staff is recommending this joint venture based on the scoring by the selection panel which used the evaluation criteria in the Request For Proposal. Mr. Kutnick noted that this is a two-year contract with two one-year Port options which could extend the agreement to a total of four years. The financial terms of the agreement contemplate financial advisory work and for a bond issue. Interim work would be capped at $50,000 per year, and $48,000 per bond issue.

ACTION: Resolution No. 93-84 was approved by motion of Commissioner Halsted, seconded by Commissioner O'Neill, carried

3C. The Commission was apprised of changes to the 1993/94 budget resulting from a review by the Mayor's Office and the Budget Committee of the Board of Supervisors. These included elimination of three zero-funded positions, a decrease in Health Service subsidy, an increase in services to the Information Services Department, an increase in Controllers External Audits, a reduction in the retirement rate from 9.06% to 7.36%, an unspecified reduction by the Board of Supervisors, and funding for five parking control officers through the Department of Parking & Traffic.

4. CARGO SERVICES

B. The Commission reviewed and approved refunds and allowances in the amount of $9,964 for the period ending May 31, 1993 by motion of Commissioner Halsted, seconded by Commissioner Chang-O'Brien, and carried.

C. An informational report on the status of accounts receivable for the period ending May 31, 1993 was submitted to the Commission with a brief explanation by Roger Peters, Director, Cargo Services.

5. TENANT SERVICES

A. Two items were removed from the consent calendar by staff's request. Lease L-11791, for Cable Car Charters, Inc. was deferred, and Lease L-11792, for Elizabeth Steicher, Olive Oil's will be discussed as a separate issue.

President Herman approved deferral of the Cable Charters, Inc. lease, but indicated that Ms. Julie Wahl, representing Teamsters' Union, Local 856, would address the matter at today's meeting, for reference at the next meeting.

Ms. Wahl, representing Local 856, and herself, as a citizen of San Francisco, protested the leasing of Port property to the proposed tenant Arnold Gridley, Cable Car Charters, on the grounds that he is currently in arrears to his present landlord, and has a stipulated judgment filed against him for $108,810. Ms. Wahl asked that the staff and the Port Commission examine more carefully this gentleman's record. Ms. Wahl stated that unfair labor practice charges are currently filed against him with the National Labor Relations Board, and an investigation pending by the Department of Labor. She asked that before the Port Commission enter into any lease arrangement all of this be re-evaluated.

Mr. John Pahlevich, employee Cable Car Charters, presented copies of a document from Catalyst Corporation to Arthur Gridley for payment of approximately a year and one-half in arrearage in rent, for the storage of vehicles. Mr. Pahlevich alleged that it is a fact that significant civil and perhaps even criminal violations for state and federal statutes are being committed on Port property (both labor statutes and human rights statutes). Mr. Pahlevich cited instances of these violations for the Commission's edification, noting that this has been an ongoing situation for a number of years. Mr. Pahlevich urged postponement of this proposed lease until further background checks can be made on the legitimacy of Mr. Gridley's tenancy.

President Herman affirmed that this item is being held over and between now and that time, these allegations will be evaluated preparatory to any recommendation being made.

All other leases under the consent calendar were approved by Commission Resolution No. 93-87.

Staff presented a request to authorize a three-year lease with Elizabeth Streicher dba Olive Oil's Bar & Grill, for premises at Pier 50 with the explanation that this lease is subject to a commitment by the tenant to an affirmative action plan. This condition is part of the Retail Leasing Policy adopted by the Commission in April 1993 authorizing staff to negotiate with tenants of good standing. Ms. Schimke also informed the Commission that Ms. Streicher does intend to sell her business, and transfer this lease, and the assignment will be presented for Commission approval at that time.

Commissioner Chang-O'Brien asked staff when the administrative guidelines for the retail leasing policy would be available for the Commission, and Ms. Schimke said she would endeavor to have these by the next Commission meeting.

ACTION: Resolution No. 93-86 was approved by motion of Commissioner Cook, seconded by Commissioner Halsted, carried.

The next matter for discussion was the sales and rent report for the month of April 1993. Mike Janis, Director, Tenant Services reviewed the information noting that restaurants in the Fisherman's Wharf were showing a downturn in sales, a six percent decline between 1992 and 1993, but there appears to be an upturn over the last few weeks. Fisherman's Wharf retail shows a slight upturn over last year, with Red & White Fleet showing a strong 21% increase in sales. Other non-Fisherman's Wharf restaurants show a 6% downturn, but we hope to see an increase over the summer months.

Commissioner O'Neill asked about the impact of the Waterfront Transportation Project on Port tenants as the Project moves into the next phase along The Embarcadero north, and Mr. Janis replied that there is a great deal of concern. Staff has been working very closely with tenants and the members of the Waterfront Transportation Project to ensure the commitment that has been made that two lanes be kept open at all times in both directions (four lanes altogether). There is a close working relationship between Port and WTP with a high level of sensitivity on their part to this issue.

Mr. Janis next presented a request from Mr. John Jenkel, operator of Carriage Charter, a horsedrawn carriage business at Fisherman's Wharf, for a reduction in his month-to-month rent to $1 a month, as well as an amended agreement regarding percentage rent.

Staff is recommending that the Commission allow Mr. Jenkel relief from paying minimum rent until the pedicab situation is resolved, and agreements are entered into, but the ten percent of gross sales be maintained. Staff feels this is a reasonable solution since many of Port's tenants are suffering from the same slow economy.

Mr. John Jenkel addressed the Commission in his own behalf, and suggested that he be allowed to pay $1 a month until such time as the pedicab problem has been resolved. He also opined that the pedicabs were adversely affecting his business and causing him a loss of 20 to 30%. His contention is that he is a good tenant who has had to put up with the impact of an intolerable situation by having the pedicabs as his neighbors. He reiterated his request to pay the Port only $1 a month until the problem is solved.

Mr. Jeff Sears, representing Barbary Coast Pedicabs, agreed that the tourism industry at the Wharf area has been down, and they too have been affected by the downturn. However, he disagreed with Mr. Jenkel's assertion that the pedicabs were the sole cause of Mr. Jenkel's lack of sales, but opined instead that Mr. Jenkel's difficulty came from his carriages not being out on the street, particularly since Memorial Day holiday, the beginning of the summer tourist season. Mr. Sears expressed his opinion that these are separate and distinct entities, and did not necessarily overlap each other. He also expressed a hope that some resolution could be worked out which would be satisfactory to all parties without adversely impacting anyone.

Mr. Janis replied that the situation is difficult because these are businesses that have been licensed by the City and County of San Francisco on Port property without consent from Port, and also businesses which have developed without licenses from the Port, and which the Port is now trying dilgently to work out these difficulties.

President Herman responded to a comment from Mr. Jenkel referencing a statement made by Mr. Herman at an earlier meeting, by apologizing for "his ill-advised and facetious remarks" and said "he was sympathetic to the plight of any businessperson who is struggling to make ends meet, and who is confronted with the kinds of problems that virtually all businesses have."

President Herman said this is the reason that the Commission referred this matter to staff who have been working in earnest to try to find a solution. Part of this issue will be discussed in executive session and it is hoped that a resolution will be forthcoming.

Herman agreed with staff's recommendation and urged its adoption by the Commission.

Commissioner O'Neill asked about the rent from pedicabs, and found that there is no contractual relation with the pedicabs. Looking at the figures for 1992, Commissioner O'Neill pointed out that had Mr. Jenkel been under the 10 percent arrangement instead of the minimum rent, he would have saved one third of the money you did pay. There is a strong effort to try to assist Mr. Jenkel.

Rama Ananda, representing San Francisco Pedicab Tours, said his group was eager to pay rent to lease space for parking at the Wharf but argued against paying 25% of his gross sales, and asked the Commission for consideration.

President Herman assured Mr. Ananda that the Commission would give that matter its fullest consideration when it came before them but this was not the item before them at this time.

Mr. Janis asked approval of Resolution 93-88; Commissioner Cook moved adoption, seconded by Commissioner O'Neill, carried.

NEW BUSINESS

Commission Halsted asked that staff provide an update on the Scandinavia Center in the near future, and Mr. Abernathy affirmed that this would be done .

LEGAL

The Commission withdrew to executive session as noticed in the agenda to discuss the proposed settlement of Southwest Marine v. CCSF, Superior Court N. 927-789.. The Commission approved the proposed settlement and authorized the Executive Director and City Attorney to act on its behalf in this matter.

The Port Commission in executive session discussed real property negotiations with Jeff C. Sears, dba Barbary Coast Pedicab Leasing and Rama Ananda, dba San Francisoc Pedicab Tours, concerning sites located at Fisherman's Wharf and Pier 1/2. The Commission gave Port staff direction and instruction regarding the real property negotiations.

The Commission meeting adjourned at 5:45 p.m.

28/93

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., July 28, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

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AGENDA

1. **ROLL CALL**

2. APPROVAL OF MINUTES

3. EXECUTIVE

A. Executive Director's Report

B. Tunnel Project -- Resolution to apply for, accept and expend grants:
* MTC (STP & CMAQ) FY 92-93: $5,400,000
* MTC (STP & CMAQ) FY 94-95-96: $1,179,000
Resolution No. 93-90

C. Request for Proposal to select Bond Counsel
Resolution No. 93-95

4. CARGO SERVICES

A. Approval of professional service contract with the Journal of Commerce Port Import/Export Reporting Service
Resolution No. 93-96

B. Status of Accounts Receivable ending June 30, 1993.

C. Approval of Final Negative Declaration (File Number 92.02E) and Temporary Soil Treatment Facility Project at Seawall Lot 344.
Resolution No. 93-99

D. Approval of Memorandum of Understanding with the Department of Public Works for use of 2.0 acres at Seawall Lot 344 for a Bioremediation Facility.
Resolution No. 93-97

5. TENANT SERVICES

A. Consent Calendar

L-11774, Harbor Bay Maritime, Pier 48-B, 2 years, ferry boat berthing.
L-11800, Peter Friend, Pier 35, 5 years, office - event promotions.
L-11801, Ino Guide, Inc., WTC 213, 1 year, import/export office.
Resolution No. 93-92

B. Authorization to Award Contract No. 2584 - " Various Locations Miscellaneous Earthquake Repairs".
Resolution No. 93-91

6. PLANNING & COMMUNITY AFFAIRS

A. Resolution No. 93-94 recognizing the efforts of the participants to the Ferry Building Workshop.

7. INTERNAL SERVICES

8. LEGAL

An executive session is calendared for discussion of a contract dispute involving Osprey Underwriting Agency, Ltd. City Attorney's Office is of the opinion that based on existing facts and circumstances, there is a significant exposure to the City of litigation. An executive session is specifically authorized under California Government Code Section 54956.9, subdivision (b)(1).

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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Wednesday, July 28, 1993 Commission Meeting

M I N U T E S

The regular meeting of the San Francisco Port Commission convened at 4:15 p.m. by President James R. Herman.

1. ROLL CALL

PRESENT: James R. Herman, President
Anne Halsted, Vice President
Ming Chang-O'Brien, Commissioner
Preston Cook, Commissioner

ABSENT: Francis J. O'Neill, Commissioner

2. APPROVAL OF MINUTES

In the minutes of the special meeting of June 29, 1993, Commissioner Chang-O'Brien pointed out an error on page 3, item 3, second paragraph "regarding the possible loss of grant funds from U.S. EDA, Dept. of Commerce" should be corrected to read "State Department of Commerce" and that the grant would have to be disbursed by "September 30, 1995" should read "June 30, 1993" and not five years from that date. With above corrections noted, Commission approved the minutes of the special meeting of June 29, 1993.

3. EXECUTIVE DIRECTOR'S REPORT

Item A

To help better plan for Commission meetings, Mr. Abernathy distributed to the Commissioners a target date list for the rest of the year of some of the Port's major issues for presentation before the Commission. Mr. Abernathy asked the Commission to review the schedule for their comment, input and any additions or adjustments they may wish to make. The Commission decided to hold off discussion and action on this matter until the next meeting.

Next, Mr. Abernathy stated that there are some new strategies being worked on in the marine terminal area which is leading to the need for a trip to the Far East in the near future. Date being proposed is at the end of August through first week of September to call on Port's existing principal customers and prospects in the area. Details of the schedule are presently being worked out on availability of the customers involved. Mr. Abernathy stated that there are budgeted funds available and proposed that he would go on the trip with Roger Peters and it would be very helpful if a couple of Commissioners would go that have contacts and help in making those presentations with the prestige of the Commissioners. Mr. Abernathy requested Commission approval so details could be concluded. Commissioners moved for approval of the proposed trip to the Far East.

Item B - Tunnel Project

Held till the latter part of the meeting pending Ms. Veronica Sanchez return from City Hall.

Item C - Bond Counsel Request for Proposal

Mr. Ben Kutnick requested Commission approval of a Request for Proposal to select bond counsel services. The three year contract with Orrick, Herrington & Sutcliffe and Pamela S. Jue, Esq. as Bond Counsel expired on June 30, 1993. The City and County of San Francisco, through the City Attorney's Office, is also seeking bond counsel services and has offered to conduct a joint selection process. Similar to the Financial Advisor contract, Bond Counsel will provide both interim and bond sale related services. $40,000 is budgeted for interim work in 1993-94 and the same amount is projected for the next two fiscal years. All fees associated with bond issues will be paid from bond proceeds. The RFP is expected to be issued sometime in the beginning of August and selection of the bond counsel sometime in September. An MBE/WBE goal of 35% participation is proposed to be met in the selection process.

ACTION: Commissioner Cook moved approval of Resolution No. 93-95, seconded by Commissioner Halsted, carried.

4. CARGO SERVICES

Mr. Roger Peters asked that items C and D be carried over at the request of the Department of Public Works. The Commission concurred.

Item A - Professional Service Contract with Journal of Commerce Port Import/Export Service

Mr. Peters next requested Commission approval of a professional service contract with the Journal of Commerce Port Import/Export Reporting Service (PIERS) for fiscal year 1993-94 in the total amount not to exceed $50,000. Cargo marketing is aimed at importers and exporters to increase their support of San Francisco steamship lines and thereby increase cargo and revenue for the Port. Journal of Commerce database "PIERS" (Port Import Export Reporting Service) is the only trade information source that accurately identifys Port's marketing needs. The contract has been approved by the Civil Service Commission and the Human Rights Commission and has been funded in the budget.

ACTION: Commissioner Cook moved for approval of Resolution No. 93-96, seconded by Commissioner Ming Chang-O'Brien, carried.

Item B - Status of Accounts Receivable

Next, Mr. Peters reported on the improved status of Cargo Services accounts receivable ending June 30, 1993. He added that the Super Structures claim has been settled by the City Attorney's office.

5. TENANT SERVICES

Item A - Consent Calendar

Ms. Dorothy Schimke requested Commission approval for the following leases: L-77774 to Harbor Bay Maritime (2-year lease) at Pier 48-B for ferryboat berthing and support; L-11800 to Mr. Peter Friend (5-year lease) at Pier 35 for office and event promotions use; and L-11801 to Ino Guide, Inc. (1-year lease) at WTC 213 for office use.

ACTION: Commissioner Halsted moved for approval of Resolution No. 93-92, seconded by Commissioner Ming Chang-O'Brien, carried.

Item B - Authorization to Award Contract No. 2584

Mr. Cliff Jarrard next requested authorization to award contract #2584 for miscellaneous earthquake repairs at various locations. Bid proposals were opened on July 12, 1993 and Frederick Meiswinkel, Inc. was the lowest bidder at $107,547.94. The Human Rights Commission has reviewed the bid proposal of the lowest bidder and found it in compliance with Section 12D of the San Francisco Administrative Code. FEMA/OES has written Damage Survey Reports for this repair work totalling $94,346.71. By letter to FEMA/OES dated 7/15/93 Port has requested a supplemental DSR to cover the remainder of the contract amount. Construction is scheduled to begin in approximately three weeks and is scheduled to last 90 calendar days

ACTION: Commissioner Cook moved for approval of Resolution No. 93-91, seconded by Commissioner Halsted, carried.

6. PLANNING & COMMUNITY AFFAIRS

Item A - Resolution recognizing efforts of participants to the Ferry Building Workshop.

Ms. Sharon Polledri spoke of the very successful workshop on July 8 and 9, 1993 for the renovation of the Ferry Building which generated many innovative ideas. Staff will be presenting an action plan to the Commission in August for developing these ideas. Ms. Polledri requested Commission approval of Resolution No. 93-94 recognizing the invaluable contributions and insights to the Ferry Building Workshop by a select group of distinguished professionals who volunteered time and effort for the workshop. Ms. Polledri asked that each Commissioner sign the resolution and each participant would receive a commemorative parchment scroll.

ACTION: Commissioner Cook moved for approval, seconded by Commissioner Halsted, carried.

On behalf of the Commission, President Herman conveyed their thanks and appreciation to Ms. Polledri and everyone involved for the excellent organization of the workshop.

EXECUTIVE

Item 3B - Tunnel Project.

Ms. Sanchez requested approval of Resolution No.93-90 which would allow the Commission to apply for, accept and expend funds from the Federal Highway Administration and the Federal Transit Administration to do our Tunnel Project. We need to submit to our Federal funding agencies the applications for their review for an estimated $8.9 million of grants funds to cover an $11.2 million project. The sources for this funding are the ISTEA which comprises over $6 million funded for transportation projects. The other source of funding is Federal Transit monies that we will be applying through the Joint Powers Board of funds which were made available to the City and County of San Francisco for mitigating the withdrawal of the Interstate 280 Highway Corridor. Most of the monies will come from the Federal government and the Port commitment will only be $1.6 million to match the grants and some additional costs that the Federal government will not pay for.

President Herman expressed his appreciation for the exemplary work to bringing these issues to such a successful point. This funding is critical to the Port and the work that has been done has been outstanding. Ms. Sanchez thanked Commissioner Herman for his comments but wished to share them with her colleagues Mr. Joe Wyman, Mr. Roger Peters, Mr. Ben Kutnick. Ms. Sanchez added that final approval should be forthcoming in September from the Federal Highway Administration.

ACTION: Commissioner Halsted moved for approval of Resolution No. 93-90, seconded by Commissioner Ming Chang O'Brien, carried.

The Commission adjourned to executive session at 4:45 for discussion of a contract dispute involving Osprey Underwriting Agency, Ltd. At the conclusion of the Executive session, City Attorney Maerz announced that the Port Commission directed staff to continue the Port's P & I coverage.

Meeting was adjourned at 5:30 p.m.

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PORT OF SAN FRANCISCO

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., August 11, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

AGENDA

1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

A. Request For Proposal for Legal Services.

B. Refunds and Allowances for month ending June 30, 1993.
Resolution No. 93-103

4. CARGO SERVICES

A. Authorization to award Contract 2587, 1993/1994 Maintenance Dredging
Resolution No. 93-102

B. Approval and Adoption of Final Negative Declaration for a 2.0 Acre Site of Seawall Lot 344 for Use as a Bioremediation Facility.
Resolution No. 93-99

C. Approval of a Memorandum of Understanding with the Department of Public Works for a 2.0 Acre Site of Seawall Lot 344 for Use as a Bioremediation Facility.
Resolution No. 93-97

D. Status of Accounts Receivable ending July 31, 1993.

5. TENANT SERVICES

A. Consent Calendar

L-11805, Agriculture Bldg. 117, Dynamic Network Solutions, office space.
L-11790, Tudor-Saliba-Perini, Pier 30, construction support for Waterfront Transportation Project.
Resolution No. 93-104

B. Status of Accounts Receivable for period ending July 31, 1993.

6. PLANNING & COMMUNITY AFFAIRS

A. Authorization to apply for federal funds to conduct detailed design of the renovation of the Ferry Building.
Resolution No. 93-105

B. Resolution to Authorize General Manager to apply for, accept and expend grants from the Transportation Enhancement Activities Grant Program(FY 94, 95, 96) for various improvement projects.
Resolution No. 93-106

C. Presentation by the Department of City Planning of the Terminal Separator Structure/Transbay Terminal Report to the Mayor

7. INTERNAL SERVICES

8. LEGAL

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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ADDENDUM

TO

AGENDA

PORT COMMISSION MEETING - AUGUST 11, 1993, 4:00 P.M.

3100 FERRY BUILDING, SAN FRANCISCO, CA

6. PLANNING & COMMUNITY AFFAIRS

D. Status Report on the Waterfront Plan Project

SAN FRANCISCO PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING
SAN FRANCISCO, CALIFORNIA

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WEDNESDAY, August 11, 1993

M I N U T E S

President James R. Herman called the meeting to order at 4:10 p.m., with the following members present.

1. ROLL CALL.

Present: James R. Herman, President
Anne Halsted, Vice President
Francis J. O'Neill, Commissioner
Ming Chang-O'Brien, Commissioner
Preston Cook, Commissioner

The Commission approved the minutes of the previous meeting by motion of Commissioner Halsted, seconded by Commissioner Cook, and carried.

City Attorney Van Nostern stated that an issue requiring action and involving a personnel matter had arisen after the agenda was posted, requiring that the Commission meet in executive session. Ms. Van Nostern indicated it was necessary to have two thirds of the full Commission or a unanimous vote of the quorum vote to place this matter on the calendar.

Commissioner Halsted made a motion to place the executive session on today's agenda, which was seconded by Commissioner Cook, and carried by unanimous vote.

Mr. Abernathy asked to defer discussion of Item 4A, the award of Contract 2587, due to a labor dispute, and to consider Item 3B, Refunds and Allowances Report to Internal Services. Mr. Abernathy then asked in deference to the public, that the Commission take Item 6C, a presentation by City Planning on the Terminal Separator Structure, as its first matter for consideration, and introduced Rebecca Kohlstrand, from the Department of City Planning.

At the completion of the presentation by Ms. Kohlstrand and Mr. Jack Fleck, Dept. of Parking and Traffic, public testimony was taken, and the following persons testified:

Stan Mattel, South Beach Neighborhood;
Bob Tibbetts, Telegraph Hill Dwellers;
Jeffrey Pollack, Downtown Association;
Al Baccari, Fisherman's Wharf Merchants' Association;
Charlie Cameron, TransBay Terminal, Eastbay resident;
Alice Creason, AC Transit;
Clayton Mansell, Sierra Club
Michael Gallette, Port Tenants Association.

The tenant and merchant associations and individuals endorsing the Caltrans alternative cited the economic difficulties which have impacted the businesses of the Fisherman's Wharf and North Beach areas since the earthquake and the subsequent loss of the terminal separator structure, and urged the Commission not to delay the process any longer.

Those testifying in behalf of the proposed resolution supported the need for a comprehensive traffic and economic impact analysis of the Terminal Separator Replacement alternatives.

Port staff presented a sales trend report for the Wharf area pre and post earthquake, indicating a 14% downturn. Bob Tibbetts, Telegraph Hill Dwellers, however, submitted a report done by a management firm indicating a discrepancy in those figures. Commissioner Cook conjectured whether there might be other reasons beyond the traffic access difficulties for the downturn in business in the Wharf area.

Mr. Preston Kelley, Executive Director of CalTrans, spoke to the issue, reiterating CalTrans' promise to the Mayor to wait until September 1, 1993 for a decision whether or not the City would go forward with the terminal separator rebuild alternative. Mr. Kelly reminded the Commission that unfortunately there are no guarantees that the federal money will still be available should the City delay for another two years preparing environmental documentation. Mr. Kelley urged the Commission to seriously consider all that's involved in delaying the project for further studies to be undertaken.

Mr. Stuart Sunshine, from Mayor Jordan's office, asked that the Commission review the resolution before them, which asks that the Board of Supervisors request Caltrans' cooperation with the City and County of San Francisco in studying Terminal Separator Replacement alternatives, and urged the Commission to lend its support to its passage.

Port staff expressed its concern that a number of issues critical to ongoing operations of the Port have not been adequately addressed and should be included for the Board of Supervisors' consideration. These include the economic implications of each alternative on the waterfront businesses served by the proposed connections; the impact of the design and operation of the Central Embarcadero, particularly the Ferry Building; strengthening Interim Traffic Improvements to include additional signage further east on the Bay Bridge, and signs directing truck traffic to and from Port Container Terminals to the Bay Bridge.

At the conclusion of public testimony, President Herman asked for comment from the Commission. Following this discussion, Commissioner Cook made a motion urging support for the proposed Board of Supervisors resolution, and include the Mayor's position and the amendments regarding the Port's concerns for a comprehensive traffic and economic impact study.

Commissioner O'Neill seconded the motion, and this was carried unanimously. Following this action, the Commission returned to the regular agenda.

4. CARGO SERVICES

A. Staff presented a request for approval and adoption of a Final Negative Declaration for a 2.0 Acre Site at SWL 344 to be used as a Bioremediation Facility. The Dept. of Public Works wishes to develop a temporary treatment facility to receive and treat soils contaminated with petroleum hydrocarbons from City construction prjects. This facility will be used for a temporary period of approximately five years.

Commissioner O'Neill inquired about any liability on the Port at the end of that time. Staff indicated that DPW will return the land to the Port in the same condition as received (or better) at termination of the project, and that a mitigation monitoring plan will be incorporated into the proposed design and construction elements of the Temporary Soil Treatment Facility.

Commissioner O'Neill moved approval of Resolution No. 93-99, seconded by Commissioner Halsted, carried.

C. The Commission next approved a Memorandum of Understanding with the Department of Public Works for use of this site by motion of Commissioner O'Neill, seconded by Commissioner Halsted, and carried.

5. TENANT SERVICES

A. Under the consent calendar, the Commission approved two leases L-11805, L-11790 for space located at Pier 30, and in the Agriculture Building.

B. The Commission next reviewed a report on the status of accounts receivable for the period ending July 31, 1993.

6. PLANNING & COMMUNITY AFFAIRS

A. Staff presented a request for authorization to apply for federal funds for detailed design of the renovation of the Ferry Building. Under ISTEA (Intermodal Surface Transportation Efficiency Act of 1191) Highway Trust Funds are available for ferry terminal facilities, and staff is requesting the Commission to authorize the Executive Director to apply for accept, and expend these funds for environmental, planning, and design studies for renovation of th Ferry Buiding.

The Commission approved Resolution No. 93-105, by motion of Commission Halsted, seconded by Commissioner O'Neill, carried.

B. The Commissin next reviewed a request to authorize the Executive Director to apply for, accept and expend grants from the Transportation Enhancement Activities Grant Program for a number ofimprovement projects. These are: restoration of the central concourse of the Ferry Building; restoration of the Ferry arch at Pier 43; and a sign and graphic program for the Fisherman's Wharf area.

ACTION: This was approved by motion of Commissioner O'Neill, seconded by Commissioner Chang-O'Brien, and carried.

Commissioner Halsted asked to defer the presentation of a status report on the Waterfront Plan project until the next meeting since the Commission still needed to meet in executive session, and the Commission agreed to meet one hour earlier at 3 p.m. on August 25, for this presentation.

The Commission then withdrew to executive session at 7:05 p.m. for discussion of a personnel matter as specifically authorized under California Government Code Section 54957.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
3:00 P.M., August 25, 1993
3100 FERRY BUILDING, SAN FRANCISCO,
CALIFORNIA

PORT OF SAN FRANCISCO

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

3. **EXECUTIVE**

   A. Presentation of Long Term Strategy for Business Development
   Information Only

   B. Capital Plan — Resolution No. 93-116

   C. Supplemental Appropriation for Capital Projects — Resolution No. 93-117

4. **CARGO SERVICES**

   A. Approval of a new five year Management Contract with Stevedoring Services of America — Resolution No. 93-109

   B. Approval to Proceed with the Process of Securing a Tenant for Pier 48
   Resolution No. 93-110

   C. Approval of Resolution commemorating the twenty-fifth anniversary of Evergreen Marine Corp. (Taiwan) — Resolution No. 93-108

   D. Authorization to reject all bids on Contract 2587, 1993-94 Maintenance Dredging and advertise for bids for dredging Pier 35 only
   Resolution No. 93-118

   E. Status of Accounts Receivable as of July 31, 1993.

5. **TENANT SERVICES**

   A. **Consent Calendar**
   L-11811, China Int'l. Travel Service, WTC 138A, office
   L-11806, Waterfront Container, Agric Bldg. 203, shipping office
   L-11807, Bettman, Ralph, Agric Bldg., 206, consulting office
   L-11810, Limbach and Limbach, FB 2035, Legal storage

L-11809, Express Services Guaranteed, Ferry Bldg. 1020, Delivery
L-11812, HOK Construction, Inc., 401 Terry Francois Blvd., Ste 132
L-11813, Pacific Explorer Lines, 501 Army St., Ste. 104, office
Resolution No. 93-111

B. Consent to sublease to Day Hillborn by Pier 50 advertising agents
Resolution No. 93-112

C. Approval of leases for Event Management and Cruise Ship Handling at Pier 35
1) Waterfront Promotions, Pier 35, 5 years event promotion.
Resolution No. 93-113

2) Metropolitan CA Stevedore, Pier 35, 5 years, terminal services
Resolution No. 93-114

D. Informational briefing on Standard Lease Forms and proposed leasing parameters

6. **PLANNING & COMMUNITY AFFAIRS**

A. Pier 98 Agreement with San Francisco Bay Conservation and Development Commission for Wetland Project Resolution No. 93-115

B. Waterfront Plan Status Report (Information Only)

C. Action Plan for Ferry Building Development (Information Only)

7. **INTERNAL SERVICES**

8. LEGAL

A. An executive session is calendared to discuss real property negotiations with Erik Norgaard regarding the proposed Scandinavia Center Project at Pier 30-32. This office is of the opinion that based on existing facts and circumstances discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.8.

B. An item where the need to take action arose after the agenda was posted, by unanimous vote of the Commission an executive session was held at the August 11, 1993 Port Commission meeting to discuss a personnel matter. The City Attorney's Office is of the opinion that based on existing facts and circumstances, discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54957.

9. **NEW BUSINESS**

10. **ADJOURNMENT**

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING
SAN FRANCISCO, CALIFORNIA

Wednesday, August 25, 1993

M I N U T E S

President James R. Herman called the meeting to order at 4:10 p.m., with the following members present.

1. ROLL CALL.

Present: James R. Herman, President
Anne Halsted, Vice President
Francis J. O'Neill, Commissioner
Ming Chang-O'Brien, Commissioner
Preston Cook, Commissioner

The Commission approved the minutes of the August 11, 1993 meeting by motion of Commissioner Halsted, seconded by Commissioner O'Neill, and carried.

City Attorney Van Nostern informed the Commission that an item requiring an executive session involving a personnel matter was erroneously placed on the agenda, and should be deleted.

The Commission next received an update by the Planning Director on the status of the waterfront advisory plan. Ms Polledri gave a brief history of Proposition H, the legislation which brought about the formation of the Waterfront Plan Advisory Board and the work accomplished by this group. Phase I of the project will be completed in October, determining the land use needs of water-dependent activities along the waterfront. The Board's Phase I efforts culminated in preliminary recommendations to reserve certain locations for long term, water-dependent activites, including cargo shipping, passenger cruise, ship repair, excursions and ferries, recreational boating, fishing, and historic ships.

The Phase II process is designed to identify possible activities for Port property that are not necessarily "water-dependent". Examples of non-water dependent activities include public access, open space, commercial mixed use development, museums.

Public workshops and meetings were held to receive input from citizens, real estate and design professionals and based on this, the Board developed draft goals and policies to evaluate the mix of land uses which it will ultimately recommend for the waterfront.

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Port staff intends to publish an Options Report at the end of September and public hearing and community meetings will be held to receive comments. These will be used as a basis to refine the options and incorporate them into the Draft Waterfront Plan which should be completed at the end of this year.

An Environmental Impact Report analyzing the impacts of the draft Waterfront Plan must be completed before the Plan can be adopted by the Commission. It is anticipated that an RFP will be issued to hire an environmental consulting firm to prepare the EIR, and it is anticipated that the EIR consultant will begin work in January 1994, with certification of the EIR and the Plan adopted by the Commission sometime in the Summer of 1995.

Port staff will be working on an implementation program to accompany the Waterfront Plan during the time that the EIR is being prepared. The Waterfront Plan must be reviewed by the City Planning Commission for consistency with the Master Plan. Planning Commission is expected to review the Waterfront Plan during the summer of 1995 for any potential conflicts between existing planning documents governing Port property and the Waterfront Plan.

When completed the Waterfront Plan will provide a land use blueprint to help the Port meet a number of goals of the Port's Strategic Plan by identifying appropriate locations for maritime and non-maritime activites on Port property.

The Commission expressed support for the efforts of the Board as well as staff and encouraged an early completion of the tasks still left to be accomplished.

Mr. Abernathy next presented the Commission with an assessment of the Port's current capacity for achieving the Port's goal of creating commerce and job opportunities for San Francisco and the Bay Region, and his recommendations for a strategy for improved performance.

Mr. Abernathy pointed out that the Port functions as a public-owned business that must generate funds for deferred maintenance and capital development to sustain its economic viability. Operating budgets that only balance expenditures with revenues and do not realize a return on assets will eventually lead to deteriorated facilities and the demise of the Port.

In summarizing the capital plan, he pointed out the Port has $2,817,049 in available funds and unfunded capital projects totaling $107,401,086 for a shortfall of $104,584,037, and a limited number funding sources.

It was Mr. Abernathy's recommendation that the Port adopt project priorities, quantify and prioritize its deferred maintenance requirements, re-prioritize the capital budget to take into account deferred maintenance and capital projects for revenue enhancement.

Further in order to maximize revenue opportunities the Port should adopt business strategies for its two income producing divisions, cargo and commercial real estate, while simplifying and streamlining procedures for business responsiveness.

Mr. Abernathy emphasized that the Port's controllable expenditures, (salary and maintenance of staff and facilities) must be in some reasonable ratio to the earnings made by the Port from marine terminals and real estate.

In the cargo services area, Mr. Abernathy recommended developing a program for dedicated terminals for major carriers, entering into mid to long-term terminal agreement directly with carriers, and providing economic incentives to carriers, to increase throughput.

The Commission thanked Mr. Abernathy for an insightful and well-balanced assessment and presentation. The recommendations put forward will be examined and considered by the Commission for implementing.

B. As the next matter of business, Mr. Kutnick presented an updated Capital Plan for review and approval by the Commission, indicating several changes in the Plan as previously approved in April. Under the changes, there is funding for four capital projects, including one existing project, seismic safety survey, and three new projects, Waterfront Land Use Plan, Pier 45 fender repair, and Ferry Building renovation.

In addition, there are three new capital projects which are unfunded at this time: Harbor Deepening Feasibility Study; Ship Repair; and Ship Repair Dredging.

Discussion followed with staff responding to questions from the Commission regarding details of certain projects. At the conclusion, the Commission took the following action.

Commissioner Chang-O'Brien asked if there is a way to link the expenditures to the revenues expected to be generated from a project and suggested that, for the future, staff should identify prospective revenues to expenditures. Mr. Kutnick indicated that we generally try to do that at the time a project is submitted, factoring in not only the cost of the project but maintenance costs expected over the life of the project, as well any revenues we expect to receive. Mr. Abernathy agreed that Commissioner Chang-O'Brien's suggestion was good and that it should be part of the reporting process.

ACTION: Resolution No. 93-116 moved by Commissioner Cook, seconded by Commissioner Halsted, carried.

3C. The Commission was next requested to approve a supplemental appropriation for capital projects in the amount of $1,336,856.58 to fund five Capital Projects and a portion of debt service in the 1993/94 Operating Budget. The projects include: PG&E work at Pier 80; Seismic Safety Survey; Waterfront Land Use Plan; Pier 45 Fender Repair; Ferry Building Renovation; and Debt Service.
page four

ACTION: Resolution No. 93-117 was approved by motion of Commissioner Halsted, seconded by Commissioner Cook, carried.

4. CARGO SERVICES

A. The Commission next reviewed and approved a new Nonexclusive Management Agreement with Stevedoring Services of America and authorized the Executive Director to enter into this agreement, to make any necessary refinements to the agreement without making any substantive changes, and to file the agreement with the Federal Maritime Commission.

Staff indicated that this new agreement provides for essentially the same area of services and responsibilities, but the method of compensation has been simplified based on full containers. Additionally a premium will be paid for new business to the Port, and SSA will still be paid for billing of demurrage. It is competitive with other management contracts in the Bay Area. The new agreement also provides for quarterly meetings between Port and SSA for discussion of marketing strategies, and customer service.

Commissioner O'Neill asked if this five-year proposed agreement with SSA would conflict in any way with a proposed dedication of terminal facilities to a shipping company. Mr. Peters said that there is a 90-day termination provision in the agreement which would enable the Port to cancel the contract so as to enter into any type of agreement with a steamship line.

Mr. Abernathy also informed the Commission that he had had discussions with the two stevedoring companies and explained the Port's needs and this is understood.

ACTION: It was moved, seconded, carried to approve Resolution No. 93-109.

B. The Commission next reviewed a request for staff to proceed with securing a tenant for Pier 48, which has been available for use as a cargo facility since June 1992 when Forest Terminal moved to Pier 27/29. Two proposals have been received from local firms, Western Rim and Osgood Warehouse Company and staff proposes that both parties be requested to submit its best and final offer on a form prepared by Port staff providing a clear comparison of the cost/benefits of both offers. Should any other unsolicited offers be received, staff will also consider these.

The proposed form is based on a term of five years, the uses permitted being marine terminal, container freight station, value-added cargo processing, railcar transloading, and short or long term warehousing, with the Port to install a water main to lead to the buildings.

Proposals need to be received for staff analysis by September 17, and selection of a tenant made by the Port Commission by October 13.

Commissioner Herman asked if this facility has the priority of a maritime terminal, and Mr. Peters agreed that this Commission designated Pier 48, amongst other facilities, as active marine terminals. Commissioner Herman then asked for the scope of work under marine terminals, and Mr. Peters enumerated the following: marine terminal work is defined as the commercial loading and unloading of cargo from vessels, loading and unloading of rail cars, and sorting and movement of cargo from one dock to another, removing of cargo from pallets, building loads, and multiple handling of cargo, consolidating of containers or chassis for delivery purposes, and the handling of stores and baggage for passenger vessels.

Commissioner Herman asked if the labor employed as these marine terminals will be longshore labor, and was informed that it is characteristic at active marine terminals to utilize longshore labor, and not anticipated to be changed.

Commissioner requested that this item be held over until the first meeting in November due to the need for him to be out of town for the two October meetings, and asked if the Commission had any objection to this delay.

Commissioner Cook agreed with the importance of Commissioner Herman being present for consideration and action on this issue, but asked that the Commission go forward and vote on the generic resolution today and get the process started so the RFP's can be drafted, and not delay the matter. The Commission agreed to act on this resolution and to place the matter of tenant selection on the agenda for the second meeting of October for final action.

Commissioner Cook therefore moved adoption of Resolution No. 93-109, seconded by Commissioner O'Neill, carried.

C. The Commission was next presented with a resolution for signature commemorating the twenty-fifth anniversary of Evergreen Marine Corp.(Taiwan). It was noted that this joint resolution of the Mayor and the Port will be presented by President Herman when he, Commissioner Chang-O'Brien, and Mr. Abernathy attend the celebration in Taiwan next week.

ACTION: It was moved by Commissioner O'Neill, seconded by Commissioner Chang-O'Brien, carried.

D. In reference to this item, Mr. Abernathy noted that his matter was originally calendared to reject all bids based on a labor difficulty. This matter was resolved, and therefore we would like instead to award the contract. Since the circumstances changed after posting of the agenda, it is necessary to have a two-thirds vote of the full Commission to place the matter on the agenda, as specifically authorized under California Government Code Section 54954.2(b)(ii).

ACTION: It was therefore moved by Commissioner Halsted to place Item 4D on the agenda to award the contract, seconded by Commissioner O'Neill, carried.

Discussion followed regarding the urgency of dredging Pier 35 prior to the herring season, as well as the arrival of the Canberra.

President Herman asked staff to advise the Commission at the next meeting when it is anticipated that Pier 48 will be dredged.

ACTION: Motion was made by Commissioner Cook to approve Resolution No. 93-102 and authorize award of the maintenance dredging contract.

E. Commission next reviewed the status of accounts receivable report for the period ending July 31, 1993.

5. TENANT SERVICES

A. The Commission next reviewed the consent calendar of leases, and approved all excluding L-11812 which was deferred. The second item under this category a sublease to Day Hillborn was also deferred until the next meeting in September.

President Herman inquired about the length of the Port's lease with Limbach & Limbach, and whether or not this lease predated the Commission's policy terminating leases that allowed for subleasing. President Herman said, "We dealt with the question of people who have long term leases, and then being able to treat the property as though it was their own, through a sublease gimmick, and we stopped that, didn't we?"

Ms. Schimke said the Commission has a policy which is reflected in the lease documents, which does not in general forbid subleasing, but does provide that there be no subleasing at a profit to the tenant. The Limbach lease does provide that if they sublease any profit from that sublease goes to the Port, or any excess over what Limbach pays the Port, the sublessee pays to the Port.

President Herman asked if there wasn't room for subterfuge under that arrangement? Ms. Schimke expressed her opinion that the subleasing provision in the Limbach lease protects the Commission.

ACTION: It was moved, seconded, carried to approve Resolution 93-111.

C. The Commission was next asked to approve a lease for Peter Friend, a sole proprietor, dba Waterfront Promotions, and for Metropolitan California Stevedore Company to provide for joint use of Pier 35 to promote and manage special events and public gatherings at Pier 35. It is anticipated that the expanded use of Pier 35 will maximize the use of the facility until such time as the cruise industry is relocated to another facility.

All unresolved issues as indicated on your summary sheet have been worked out with both entities. Both agreements are very clear in providing for the precedence of cruise, should a conflict arise, it is clear in both leases that cruise takes precedence. The Pier 39 lease and access agreement review process continues. It is projected that staff will bring this item to the Commission for action at the September 22 meeting.

Mr. Jim Parker, Metropolitan California Stevedore Company, thanked Port staff and the Commission for its understanding in working out the difficult issues involved in this unique proposition and expressed the hope that the endeavor will be a prosperous undertaking for all parties.

Mr. Peter Friend, Waterfront Promotions, also expressed his appreciation to Port staff, particularly to Diane Artz, for all the dedication and effort in working together to accomplish this task, and said he has received more than a thousand inquiries from event planners, potential users, caterers, promoters expressing interest in Pier 35. The demand for use of Pier 35 is tremendous. The challenge will be to solve the facility's deficiencies in power and construction maintenance and configuration in making it acceptable for larger trade shows conventions, and public events.

Commissioner Cook congratulated everyone involved in bringing this one in, and moved adoption of Resolution No. 113, seconded by Commissioner Chang-O'Brien, carried.

Vice President Halsted also expressed appreciation to all the parties for working together to work out the differences between the maritime and commercial recreational business.

ACTION: Commissioner O'Neill moved approval of Resolution No. 93-114, seconded by Commissioner Herman, carried.

D. Staff presented an informational item dealing with the streamlined and standardized lease process developed by staff and the implementation of this program will position staff to move more quickly in negotiating and executing leases and allow Port staff to become a more aggressive and responsive real estate group. Mr. Janis briefly summarized the program and detailed the process involved in the development of two standard lease forms incorporating current Port Commission policies, one, a gross office lease for use in full-service office buildings, and a net lease for use in leasing all other space. Staff will seek authority pending adoption of the standard form leases and approval of parameters for business terms, including rental rate ranges, qualifying leases as "routine" and eligible for approval at staff level. Staff will bring this item back to the Commission for its authorization the first meeting in September.

Commissioner Cook commended staff on its efforts in this direction, and said he looked forward to reviewing the standardized lease forms.

6. PLANNING & COMMUNITY AFFAIRS

a. On January 12, 1993 the Port Commission adopted Resolution No. 93-12 authorizing the Executive Director to negotiate an agreement with BCDC to resolve a longstanding disagreement between the Port and BCDC concerning the status of the Bay fill placed at the Pier 98 site.

Pursuant to that action, staff and City Attorney's office negotiated with BCDC staff. The agreement calls for the Port to design a wetlands enhancement and passive recreation park facility at Pier 98 in accordance with the approved conceptual plan subject to a schedule for a project at Pier 98. Under the agreement Port is obligated to conduct the project design, environmental review, and obtain permits within a project schedule. At this time Port is not obligated to construct the project as construction is dependent on the Port's ability to secure financing for the project. In lieu of a formal obligation of funds for construction now, the Port agrees to report to the BCDC Enforcement Committee every six months on the status of grant funds and other sources of outside funding, and ranking in the Port's Capital Plan.

Commissioner Halsted requested that staff report periodically to this Commission as well on the status of grant funding.

ACTION: Resolution No. 93-115 was approved by motion of Commissioner Halsted, seconded by Commissioner Chang-O'Brien, carried.

President Herman returned to the matter of dredging at Pier 48, and asked that staff, specifically Cliff Jarrard, respond to the question at the first or second meeting of September why Pier 48 is not scheduled for dredging, and when it is planned that that will occur. President Herman opined, "that if, in fact, Pier 48 is not dredged, it could then be taken out of maritime usage and an argument will be advanced as to the validity of calling it a maritime facility. The amount of dredging required at 48 is minimal, it is not that amount required for container ships. The costs are not horrendous."

Commissioner Cook would like the same question answered regarding Pier 50.

C. Ms. Sharon Lee Polledri reported that as a result of a Ferry Building workshop held in July this year, the Commission has established the renovation of this building as a priority project. The planning and design workshop with the enthusiastic participation of a number of pro bono professionals, and the securing of the Amtrak terminal, and prioritizing of the renovation, assisted in reversing an earlier decision by California Transportation Commission regarding an ISTEA application. It recently approved a grant of one million dollars for the renovation of the Ferry Building. This enables Port staff to pursue the Commission's priority project on an accelerated basis and has devised an action plan and schedule. At the next meeting, staff will be requesting Commission's approval a request for proposal for a design consultant to assist the Port in a feasibility analysis.

Ms. Polledri stated the next six months will be a time for pre-development activity in which to test the designs generated in the workshop, using the transportation grant funds for this purpose. Later on in the year, staff will be preparing for environmental review which could facilitate additional funding, and start the permitting process.

The overall approach will be to look at the public portions of the building as distinct from the private portions. The work in the workshop, the public nature of the Ferry Building, has identified a sizeable public space program that has been established as desirable. This includes site improvements on the Ferry Plaza, opening the original nave on the second level of the Ferry Building, and removing the third floor and revealing the gallery which ran the entire length of the Building. We will be entering into a very ambitious public financing search, through trying to identifying local funding sources, as well as congressional appropriations.

Deputy City Attorney Van Nostern asked to delete Item 8B from the agenda, since it was inadvertently included as part of this calendar. Ms. Van Nostern then notified the public that the Commission would now withdraw to executive session to discuss real property negotiations regarding the proposed Scandinavia Center Project at Pier 30-32. This executive session is specifically authorized under California Government Code Section 54956.8.

At the conclusion of the executive session, the City Attorney announced the Commission had given direction regarding this matter.

The meeting adjourned at 6:30 p.m.

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PORT OF SAN FRANCISCO

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., September 8, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

A G E N D A

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

3. **EXECUTIVE**

   A. An executive session is calendared for discussion of a personnel matter. City Attorney's Office is of the opinion that based on existing facts and circumstances, discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54957.

   B. Authorization to rescind Resolution No. 91-58 which authorized the Port's Executive Director to execute the Development Memorandum with Scandinavia Center Inc. and authorizing the Port's Executive Director to take all necessary actions to implement the Development Memorandum.
   Resolution No. 93-124

4. **CARGO SERVICES**

   A. Approval of 5-Year Marine Terminal Agreement with Blue Star Line
   Resolution No. 93-119

5. **TENANT SERVICES**

A. Adoption of Standard Lease Forms and Leasing Parameters.
Resolution No. 93-127

B. Approval of terms and conditions for pedicab license agreements.
Resolution No. 93-128

C. Approval of abatement of electricity charges incurred to produce ice for fishing boats.
Resolution No. 93-129

D. **Consent Calendar**
L-11805, Kiewit Pacific Co., Agriculture Bldg. 125, m/m, construction office.
L-11816, Hornblower Yachts, Inc., Pier 3, m/m, storage.
L-11817, Hornblower Yachts, Pier 26, m/m, storage marine equipment.
L-11812, Hok Construction, Inc./Reson Asso., 401 Terry Francois, 1 year, office.
Resolution No. 93-120

E. Authorization to advertise for a professional services contract for architectural and engineering services for Pier 1/2 Ferry Terminal, Phase II Design Assistance
Resolution No. 93-121

F. Authorization to advertise for bids on Contract No. 2591 - Pier 26 and 28, Removal of Lead Contaminated Soils from Roof".
Resolution No. 93-122

G. Authorization to advertise for bids on Contract No. 2592 - "Drydocking of Fireboat Phoenix".
Resolution No. 93-123

6. **PLANNING & COMMUNITY AFFAIRS**

A. Approval of Mission Bay Port Agreement to License and to Option; Approval of Agreement Concerning the Public Trust.
Resolution No. 93-125

B. Approval of issuance of a Request for Proposals (RFP) for preliminary design and feasibility services for the renovation of the Ferry Building.
Resolution No. 93-126

7. **INTERNAL SERVICES**

A. Refunds & Allowances for the period ending July 31, 1993
Resolution No. 93-130

8. **LEGAL**

9. **NEW BUSINESS**

10. **ADJOURNMENT**

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION

September 8, 1993

The minutes for this meeting are missing, except for the following partial transcript

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Transcription of Commission meeting September 8, 1993-(partial)

3B. Scandinavia Center Inc. -

Commissioner Cook: Based on the presentation on this matter, I would like to recommend that the Commission meet in executive session immediately with the City Attorney and the Executive Director for the purpose of discussing possible renegotiations of the Development Memorandum between the Port and the Scandinvai Center. I would like to do that now, I would like to apologize to those individuals who are here for other matters on the agenda, but hopefully, we can have a relatively short meeting and immediately come back with a recommendation.

O'Neill: Seconded.

Herman: Motion made and seconded that we have an executive session.

Van Nostern: Good afternoon, Julie Van Nostern on behalf of City Attorney's Office. Based on what has transpired at this Commission meeting, the item relative to an executive session was not placed on the calendar and has come up in the session. Therefore I would like to advise you that it is permissible under the Brown Act to go forward under executive session but to do so the Commission would have to by vote, two-thirds of the full Commission, and or unanimous vote of the quorum, to place this as an executive session item. So if the Commission would go forward with the vote it would allow the Commission to enter into executive session.

Herman: Is the Commission ready to vote? All those in favor of the motion by Commissioner Cook, please signify by saying aye. Opposed? Carried, and so ordered. We will move into executive session.

4:40 p.m. adjourned to executive session.
5:50 p.m. reconvened in regular session.

Herman: The meeting will come to order. With the respect to the execuitve session that we just concluded, Commissioner cook has a motion to make.

Cook: I have two motions to make, Mr. President. The first motion I would like to make is to continue Resolution 93-124 on our agenda until the next regularly scheduled Commission meeting.

Herman: You've heard the motion, is it seconded.

O'Neill: Seconded.

Herman: Discussion? All those in favor of that motion, please say aye.

All: Aye

Herman: Opposed. Carried, and so ordered. Your next motion, Commissioner.

Cook: Mr. President, I have one other more detailed resolution that I would like to make. I would like to move that the Executive Director of the Port negotiate a mutually acceptable Development Memorandum with Scandinavia Center and that would include a variety of issues which I will try very briefly outline.

The Development Memorandum must be signed in advance of our October 27, regularly scheduled Commission meeting by Mr. Norgaard for Commission approval at that meeting. This would include a payment a payment, this would be included in the Development Memorandum. It would be a monthly fee.

We would like a progress report on the EIR.

We would like evidence of financial commitment for Phase II of the project. And I would like that by September 17. Included in that September 17 date, I would like a detailed memorandum on how he intends to develop the project. Does he intend to develop the project himself, does he intend to sell the development rights to another developer? What is going be developed on the site. And detailed information on how the project will be developed. What kind of financing, where it will be obtained from.

By Octover 1, 1993. I would Mr. Norgaard and his affiliates to bring the rent current in the Ferry Building. And I would like a progress report at each Commission meeting until October 27 and that is to include October 27, of the negotiations between Mr. Norgarrd, Scandinavia Center and the Port. That is my motion.

Halsted: I second that motion.

Herman: Motion is made, and seconded. Discussion.

Halsted: I'd like to add another point, just sort of a preamble or a point to be made about that motin. That is, there is no agreement, there is no existing agreement between the Port and Scandinavia Center or Mr. Norgaard to develop this property. That we have not ever entered into that agreement, and there is not one existing. Though we intended to, that has never happened. The purpose of this motion is to make that happen, if possible.

O'Neill: I was present at that October meeting, that Mr. Norgaard mentioned and I do not agree with the assessment that we are in the ninth month of an 18-month extension. We discussed this at great length and I brought up other terms and we were talking about waiving the development fee if Scandinavia (Design sic) commenced the EIR. Nothing was ever returned to this Commission that I know of doing that. So I just wanted to make that clear that in my mind from the October meeting, this extension was never granted. I know it was never voted upon. Thank you.

Herman: On the motion, as submitted by Commissioner Cook. All those in favor. please signify by saying aye.

All: Aye.

Herman: Opposed. Carried, and so ordered. Thatfor the moment concludes that item on the agenda. And I believe, that will include Item 3A and 3B.

Cook: I believe Frank wanted to meet in executive session on personnel.

O'Neill: I'll wait.

Herman: Item 4, Cargo Services.

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MEETING OF THE SAN FRANCISCO PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

SEPTEMBER 8, 1993

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TRANSCRIPT OF PROCEEDINGS

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PRESIDENT HERMAN: Please be in order. My apologies for being late. If I had a worthy excuse I'd offer it, but I don't. At any rate, we'll have a roll call.

I think Commissioner Ming Chang indicated that she would not be present today.

COMMISSIONER: She called and she's not --

COMMISSIONER: She'd just gotten back from her trip and she's not feeling very well at this moment, so she has to be excused if that's possible.

PRESIDENT HERMAN: Okay. The roll call then will show that.

The next border of business is the approval of the minutes of the previous meeting.

COMMISSIONER COOK: So moved.

PRESIDENT HERMAN: Are there any errors? Corrections? Omissions? Motion by Commissioner Cook to approve.

COMMISSIONER HALSTED: Second.

PRESIDENT HERMAN: Seconded by Commissioner

Halsted. All those in favor please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed? Carried and so ordered.

The next two items on the agenda are Items 3A and B, which call for an executive session, and that will take place prior to the -- just prior to the adjournment of the meeting.

Yes?

COMMISSIONER HALSTED: I think that we had --

VOICE: Mr. President, I think one of those items, 3A, was the closed session, and the second item has to do with the request that we present the status of the proposed Scandinavian Center Inc. development. I believe that would be in open session, at the outset. You may wish to go into closed session later on, but that --

PRESIDENT HERMAN: Wouldn't that take place after the closed session?

VOICE: I think it would involve first a presentation of the situation.

PRESIDENT HERMAN: Okay.

VOICE: And then I'll (inaudible) for Mr. Norgaard and his representatives for comment. Then you may see as you see fit that you want to go into closed session.

COMMISSIONER HALSTED: May I also add that I think

that we can -- I would like to suggest we not go into executive session on the personnel matter because we have nothing to report unless someone else wants to. So we could --

COMMISSIONER COOK: I would like to do that at the end of the meeting.

COMMISSIONER HALSTED: You would like to --

COMMISSIONER COOK: If we still could.

COMMISSIONER HALSTED: Oh, all right. Right.

PRESIDENT HERMAN: Then in the judgment of the Commission, Item 3A will remain as an executive session issue, and we will deal with item 3B now.

GENERAL MANAGER ABERNATHY: Yes, sir, we can do that now.

PRESIDENT HERMAN: It's on the deck.

GENERAL MANAGER ABERNATHY: All right, well, we have an item here that has been presented and Mr. Mr. Norgaard and others are here and they're obviously very keenly interested in the issue, and just -- and I think the letter speaks for itself, hopefully it does, and the chronology's set forth in that letter of the history of these discussions. But in general overview, the, the Commission did ask that we present this item today for your consideration of the -- and the -- concerning the status and history of it, and with a potential of perhaps rescinding

your previous authorizations and negotiation to the Scandinavia Center, Inc.

When I got -- when I, after I arrived and became aware of this project and got into it, I was quite frankly surprised to find that there had not been an agreement reached between the Port of San Francisco and Scandinavia Center, Inc., although the discussions had gone on for a long time, that there had been some very very substantial issues that had separated the parties so that those agreements had never come forward.

By way of history, just a little bit of the history, the highlights of it, as you recall that after a request for proposals process there was a single proposal received for the Thirty-Thirty-Two Project by Scandinavia Center, Inc., and that the Port Commission did authorize the Executive Director to attempt to negotiate a development memorandum with Scandinavia, and that authorization was received in June the 12th, 1991, so over two years ago.

The memorandum was put together, it was sent to Scandinavia in about September of that year, and -- or August of that year, and for reasons that I'm sure would be characterized by Scandinavia one way and I think that we would characterize it another way, but the fact of the matter was, is the agreement never was executed, payments that were contemplated by the Port, that would flow to the

Port from that development memorandum, basically the ten thousand dollars a month, obviously weren't paid, they weren't required to be paid, because they would have been an obligation of a memorandum that was never entered into.

There was a presentation to this Commission in October 28th, just -- almost a year ago, based on a request that Michael Huerta, the then-Executive Director had received from Mr. Norgaard, in which he had asked to write a status report on the project, indicated some of the financial difficulties they were having in putting the transaction together, and asked for an eighteen-month grace period to have, in order to try to continue to put this complicated deal together, and the Port Commission heard that and did authorize the Executive Director to negotiate with Scandinavia Center, Inc., to see if something could be put together for this eighteen-month period.

There was, and I think when you cut through this, that the main issues that have separated the party are financial issues, business issues, not lack of enthusiasm for the project, or lack of enthusiasm for the, the -- any aspect of the project. But there were some very substantial issues that do separate the parties.

One of the representations that was made to the Commission at the time of that October presentation when they were seeking the eighteen-month extension was that

financing was in place for the next phase of the project, the next phase of the project was considered that period of time after a development memorandum was entered into that would provide the monies to carry the project through the entitlement process, to do the EIRs, and do the building permits, and that that was estimated to cost about four million dollars. There was a representation made to the Commission that seventy-five percent of that funding had been secured from offshore investors, from Scandinavian investors. But there was a clear explanation that the remaining twenty-five percent had not been secured and that they were looking for a local investor for that, a local US investor, hopefully San Francisco investor, for the one million dollars. So -- but that, that the seventy-five percent was in place.

It was clearly Mr. Huerta's understanding, although I think Scandinavia had a different understanding, that the Commission had asked him and felt that during this eighteen-month grace period there should be progress made toward the project completion by more than just attempting financing, that there should be action taken toward completing the environmental impact statement -- not completing it totally, but moving in that direction. And that was defined.

The spring of this year those issues, development

memorandums were devised and exchanged and there was a disagreement between the parties. Basically Mr. Huerta was asking we -- that there had been a representation that this funding was in place on this seventy-five percent funding, he wanted firm evidences of that. The responses came back that there was sincere interest, but there was no firm evidence of financing.

Huerta felt very strongly that there had been, there should be a requirement and that there had been an understanding that there would be progress made and money spent toward the EIR if the Port was going to commit its property. Scandinavia felt otherwise.

I think -- and then that leads us to the point that after this almost two-year period while the property has been off the market, we still have no understanding with -- based on either of those two authorizations by the Commission, because nobody could arrive at a resolution of those key issues.

I think looking at it today, the things that -- there's several major points that I think the Commission should be aware of as you contemplate the recommendation that we put forward to you, is, one, we still do not have any firm evidence of financing, that there is, that the offshore money is, is really committed to this project, and I know that substantial funds have been spent to date.

There's effort been spent, human effort, funds have been committed, but we don't have any indication in writing other than -- that there's a sincere interest in the project. So that's a major issue, I think.

There's another issue, is that during this period of time space has been rented to both Scandinavia Center in the Ferry Building and Norgaard Consultants -- there's two separate agreements -- and that rent has not been paid on either of those two spaces in the last, for almost twelve months, and the rent owing to the Port from Norgaard is thirty-nine thousand four hundred and forty dollars now; from Scandinavian Center, Inc. it's twenty-two thousand eight hundred and eighty-seven dollars, which does not make you feel very comfortable about the financial commitment to the project when those rents have not been paid.

There also has been, and no payments, there has been a fifty thousand dollar deposit put up, but there have not been payments made to the Port for taking the property off the market, because there's been no -- no development memorandum. But there's clearly an issue I think the Commission should recognize is that in most traditional deals when property is optioned or development rights granted or whatever, there's usually some consideration, financial consideration to the party that owns the property.

There has been no investment made in progressing

the EIR, which was something I think the Commission should be fully aware of and should, should give some thought to.

I think there's another thing and that is a little, maybe a little more difficult to explain, but when this -- from my reading of the history of this transaction, when we went into -- the Port Commission decided to go into it, it felt it was moving into the direction of a contract with a specific developer that's going to undertake the project itself. It has been explained to me now that one of the things that's being considered is the possibility that whoever might hold any development memorandum if we were to enter into one, is considering in effect transferring that to another unknown, yet-to-be-determined party, to arrange the financing. That's a -- usually a different structure of a kind of a deal, because you don't know who that person is and if there is such a person.

The agreement as it's now drafted does not permit that to happen without your consent, and I just point that out to you as an issue that you should, you should be aware of, and I think we need to get some clarification as we proceed down the line, if that were to be proposed, the Commission as I understand it could establish conditions on any such approval if it needed -- if it chose to do that.

And I think I'm -- I'm a little troubled, or there's correspondence that we've just received today -- I

had a meeting with Mr. Norgaard this morning and he was, you know, very forthcoming and explained things, but I think I'm a little troubled by the way the Commission's previous actions have been characterized, they've been characterized in a way that's really not consistent with what have happened; you have not entered into any agreements, you have not granted any rights, you've authorized negotiations which have been unfruitful at this point. So I think, you know, you can go on and on about who said what, and who said this and that sort of thing, but I think the basic issue is that there has been no agreement reached, it's been two years, it's been -- ten thousand dollars payments haven't been made, the rent hasn't been paid, and so we have some basic business issues that I think should be laid very firmly on the table and, and we seek your guidance on.

Mr. Norgaard has provided me with two pieces of correspondence today, one is his comments, which differ from mine somewhat, as you might expect, and another letter which I can hand out for you, Eric, if you like, or you want to present it or however you proceed, but I did mention to him that I know the Commission would want to hear his views on this as well.

PRESIDENT HERMAN: Well then is it appropriate for me to describe your remarks as preliminary to the discussion that will take place at the executive session?

GENERAL MANAGER ABERNATHY: Yes, sir, what I would -- yes, that's correct, and I just wanted -- I wanted to set the scene for you, to bring you up to date on my understanding of where this is and where it's not, and then give Mr. Norgaard the opportunity to say anything he would like to say so that you have that, have that benefit as well, and then we'll see how you wish to proceed.

PRESIDENT HERMAN: Well, let me then ask, if there's no objection from the Commission, Mr. Norgaard, do you want to address the Commission now or would you prefer to wait until after we've had an executive session?

MR. NORGAARD: I would like to know whether the Commission has had an opportunity to study our response that we prepared as soon as we were notified (inaudible) --

PRESIDENT HERMAN: I'm sorry, would you use the mike? I have a temporary hearing problem.

Yes, sir.

MR. NORGAARD: Now we were, as you possibly know, only notified yesterday morning of this item, and we have, in response, therefore, prepared a memorandum and I just need to know whether the Commissioners are familiar with our response before repeating it.

GENERAL MANAGER ABERNATHY: They're just receiving it right now.

MR. NORGAARD: So --

COMMISSIONER: Why don't you tell us.

MR. NORGAARD: -- I think the memorandum speaks for itself, but I would like perhaps to respond to the direct statements that have been made by Mr. Abernathy, and clarify some of those points, instead of going through the memo page by page.

PRESIDENT HERMAN: Well, would you like to respond now? Or would you prefer to wait until after we've had the executive session.

COMMISSIONER STONE: You know, I'd prefer to hear him speak before we go into executive session if we choose to do that. I'd rather here his side.

PRESIDENT HERMAN: Commissioner Stone indicates that he would like to hear any comments that you have before we go into Executive Session.

MR. NORGAARD: Well, our comments are, and first of all, in the memo in front of you that I'd assume you would study during or before the executive session, and in response to the question raised by the General Manager, that I've -- as I made a note of, going through, is number one, we have never ever refused to sign any development memorandum. We've always been prepared and ready to sign a development memorandum.

The fact about the development memorandum is as follows, it seems to involve quite a few, that the -- we

negotiated over a long period of six months, the development memorandum which was in a form acceptable to both parties by August 1991. It was agreed between us and the Port Director that we should not execute the memorandum before we had got the composition of the group of investors in place, who would be the ones backing up the development memorandum, and we had various correspondences I mentioned in there, confirming that point.

Concerning payments, we sent the Port a check for development, and that paid our deposit of fifty thousand dollars, we paid our fees for the negotiating process, sixteen thousand three hundred and thirty-three dollars, and the next time that we sent our payment for developer fee it was returned from the Port Director with a letter stating that we were not to start paying that before we had a final executed development memorandum.

Then the event of the world recession overtook us, and I would like briefly just to take, particularly there's a couple of commissioners, back to explain to them that this project started in '88-89, when we presented a detailed project that was fully financed at that point in time, and the Port decided that we had to go through the whole competitive process, and the result of that was that timewise we found ourself at that part of the progress line when the job now was to secure the long-term investment, we

found ourselves at the worst of all times in world history, in a recession, and the extreme difficulties of securing long-term finance for any realistic project. At that point in time we could either have dropped the project and said, The time has caught up with us unfortunately. Had this happened two years ago we could have the money in place. Instead of that we went back to the Port in October last year and stated that the investors that have interest in it that we have in place and who have met with various members of the Port Commission and the Port Director both here and in Scandinavia, prepared to stand by their interest and continue their efforts to put this project together if the Port Commission would grant them an eighteen months' extension of time, during which they would do all their use all of their efforts and funds to try to put together the best investment package. And they asked at the same time for the Port to assist in that search as they naturally felt that a project of this type was in the interest of the Port, that it succeeds.

It was the understanding of us and I think most people here who were at the October 28 meeting, including the press, if you read the newspaper article the next day, that the Port granted the eighteen months' extension of time. What the Commission did was to instruct the Port Director to negotiate, to revise this development memorandum

to incorporate the eighteen months.

We received that proposed development memorandum on December 23, 1992, and we wrote back immediately thereafter to the Port confirming that we were in full agreement with the development memorandum and were prepared to sign it and execute it, with five changes. We pointed out that there were five items in the development memorandum we felt should be changed in order for the development memorandum to conform to the agreement reached on your October 28th meeting.

Out of these five items, I understand we have full agreement with the Port on four. (Inaudible) one outstanding item, whether or not the EIR process should start during this eighteen months' period.

Our position is that what the request was for an eighteen months extension of time, not to commit major funds to the project, and therefore for the EIR process to start as soon as we felt that we have a sufficient group of investors and maintenance rating, particularly because the final configuration of the investor group could influence the physical shape of the project for which we seek an EIR. And take for instance our hotel group, whether it's hotels like A or like B, that before we do traffic studies and shade studies, we need to know which the hotel group is.

So we therefore stated again as I said that we

were ready to execute the development memorandum with these five changes. We understand there's only that one issue outstanding, that is the time of starting the EIR, and that whole process. We said we're willing to discuss that, but we have not heard from the Port on this item since. We have no development memorandum in front of us to sign, so we don't think it's fair to say that we have not executed a development memorandum because it isn't there. We're ready to sit down and negotiate that part of the EIR; we have written to the Port in April 20th on that issue. We have again written on June 17th to the Port about the EIR process and made proposals about how it should be started, but have had no response until we -- yesterday morning, got a notice through our door that the Port Commission were considering rescinding the memorandum.

So I don't agree that there are substantive issues that separate the parties. There's one and only, that we ought to be able to sit down and talk about the agreement to the Port, twice since April about it.

It's also not correct that we haven't wanted to execute a development memorandum as stated several times. We are, we're anxious to do that.

The -- there was mention made of the investors, the three Scandinavia investors that are there. In addition we have an Oakland investor, who we've also written

to the Port about, we have pointed out of course that a lot of these discussions -- I'm sure you're aware of -- are difficult to carry out, investment negotiations in public, and these investors are ready and willing to sit down and meet with the Port. When this issue was brought up yesterday, I found the president of the Swedish company in an airplane and between New York and Dallas, and I understand he's phoned the Port Director to confirm that they're on board and staying with the project. I've located the President of the Danish corporation who happened to be on the East Coast visiting New York, and I don't know if he managed to get through on the phone, but he was going to do the same, and the local investor is right now in France where his daughter is getting married, and has requested he could sit down with us, with the Port, as soon as he gets back, to go over the whole process of starting the EIR.

I hope you can understand the bit of a shock you get when four years of work and in excess of three million dollars have gone into a project that we feel right now is in the final stages of being put together, and then being told abruptly in the middle of what we consider the eighteen months' period that it's going to be stopped or rescinded.

The eighteen months' period we're using carefully according to a strategy. The progress that's taken place

has followed our plan. We have totally reviewed the financial analysis to bring it up to present-day conditions so it reflects actual financial conditions today. We have prepared alternative versions of how we could put together the investment. The idea is not as -- I hope you didn't get the impression of Mr. Abernathy that we're going out selling the project. But we offer various alternative arrangement to the potential investors, and you have to do that today. If you're selling your house you have to have various alternatives present, so that we can find the right kind of investors.

We have -- now as we hope and believe that we have -- we'll be able to put the final four investors together. The key point of that becomes that we find the main tenant, the main anchor tenant for this, the hotel. For the last two months we've concentrated on efforts on negotiating with series of hotel groups, three groups are very serious, with one of whom we actually have detailed offers and proposals that are being discussed, right now, amongst the investors, and these offers that I have in my briefcase there include performance guarantees, which puts X million dollars below the project in terms of lifting it.

So after all this work of course of developing a project that most people had described as a most attractive and beneficial for the city, we are confident that we,

before the expiring of the eighteen months period, we'll be able to return to the Port and state clearly exactly the composition of the group of investors, and how much is committed by each and every one, and then -- and the hotel group, and then proceed with the project. Or, in the worst case, will be able to tell you that we have now spent four years and three and a half million dollars and we have talked to everybody that's worth talking to, but it's impossible to put the finance together for the project. I have -- feel that in today's circumstances, if any of you saw the Chronicle two days ago, or even the San Francisco Office Beauty competition fizzled out, there isn't one developer making a proposal.

I want to point, here the Port does have a group of three respected overseas investors, plus one, highly respected local investor who is also one of the investors in the Giants, who are -- have expressed in words and in writing their interest to proceed with this job, but needs to put a few pieces together, before they can physically start soil investigations of the site for hazardous waste and shadow studies and traffic studies, et cetera.

And all we need is for the Port to stand by us in the remainder of this eighteen-month's period out of which half has expired, and we're halfway through that, and before the end of that IL just want to repeat again we'll either

bring you the group of investors or tell you it can't be done, and we will walk away as friends, having done the best we could.

I'm ready to answer any questions you might have.

PRESIDENT HERMAN: Commissioner Stone.

VOICE: Cook.

PRESIDENT HERMAN: Cook, (inaudible), I'm sorry.

COMMISSIONER COOK: That's all right. You had a long trip.

PRESIDENT HERMAN: Thank you.

COMMISSIONER COOK: Well, I -- I would like to recommend that based on the presentation on this matter that the Commission meet in executive session immediately, with the City Attorney and Executive Director for the purpose of discussing possible renegotiations of the development memorandum between the Port and the Scandinavian Center, and I would like to do that now.

I would like to apologize for all of those individuals that are here on other matters on the agenda, but hopefully we can have a relatively short meeting and immediately come back with a recommendation.

COMMISSIONER: Seconded.

PRESIDENT HERMAN: Motion made and seconded that we have a -- have an executive session immediately. Counselor?

CITY ATTORNEY VAN NOSTERN: Good afternoon, Commission, Julie Van Nostern on behalf of the City Attorney's Office.

Based on what has transpired at this Commission meeting, the item relative to an executive session was not placed on the calendar, and has come up during this session. Therefore, I'd like to advise you that it is permissible under the Brown Act to go forward under executive session, but to do so the Commission would have to by vote of two-thirds of the full Commission and/or unanimous vote of the quorum to place this as an executive session item. So if the Commission would go forward with the vote it would allow the Commission to enter into executive session.

PRESIDENT HERMAN: Is the Commission ready to vote?

All those in favor of the motion by Commissioner Cook please signify by saying aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed? Carried and so ordered; we will move into executive session.

(Executive Session)

PRESIDENT HERMAN: The meeting will take -- will come to order, please.

With respect to the meeting, the executive session that we just concluded, Commissioner Cooke has a motion to

make.

COMMISSIONER COOK: I have two motions to make.

PRESIDENT HERMAN: Yes, sir.

COMMISSIONER COOK: Mr. President. The first motion I would like to make is to continue Resolution 93-124 on our agenda until the next meeting, next Commission meeting, our next regularly-scheduled Commission meeting.

PRESIDENT HERMAN: You've heard the motion, is it seconded.

COMMISSIONER: Second.

PRESIDENT HERMAN: Discussion? All those in favor of that motion please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed? Carried and so ordered. Your next motion, Commissioner?

COMMISSIONER COOK: Mr. President, I have one other more detailed resolution that I would like to make. I would like to move that the Executive Director of the Port negotiate a mutually-acceptable development memorandum with Scandinavia Center. And that would include a variety of issues, which I will try to very briefly outline.

PRESIDENT HERMAN: Sure.

COMMISSIONER COOK: The development memorandum will -- must be signed in advance of our October 27th regularly-scheduled Commission meeting by Mr. Norgaard, for

Commission approval at that meeting. This would include a payment fee that's included in -- that would be included in the development memorandum. It would be a monthly fee. We would like a progress report on the EIR. We would like evidence of financial commitment for Phase II of the project, and I would like that by September 17th. Included in that September 17th date I would like a -- a detailed memorandum on how he intends to develop the project, does he intend to develop the project itself, does he intend to sell the development rights to another developer, what is going to be developed on the site, and a detailed -- detailed information on how the project will be developed, what kind of financing, where it will be obtained from.

By October 1st of 1993, I would like Mr. Norgaard and his affiliates to bring the rent current in the Ferry Building, and I would like a progress report at each Commission meeting until October 27th and that's to include October 27th of the negotiations between Mr. Norgaard, Scandinavia Center and the Port. That's my motion.

COMMISSIONER HALSTED: I second that motion.

PRESIDENT HERMAN: Motion is made and seconded. Discussion?

COMMISSIONER HALSTED: I'd like to add just another point just as sort of a preamble or point to be made about that motion, and that is that, that there is no

agreement, there is no existing agreement between the Port and Scandinavia Center or Mr. Norgaard to develop this property, that we have not ever entered into that agreement, and there is not one existing. And -- though we intended to, it never has happened. The purpose of this motion is to make that happen, if possible.

COMMISSIONER O'NEILL: Mr. President.

PRESIDENT HERMAN: Yes. Commissioner O'Neill.

COMMISSIONER O'NEILL: I was present at the October meeting that Mr. Norgaard mentioned, and I, I do not agree with the assessment that we are in fact in the ninth month of an eighteen-month -- an extension. We discussed this at great length, and you can check the tapes, but I brought up other terms and we, we were talking about waiving the development fee if Scan did -- if Scandinavia Designs commenced the EIR, and nothing was ever returned to this Commission, that I know of, doing that. So I just want to make that clear that, in my mind from the October meeting this extension was never officially granted. I know it was never voted upon. Thank you.

PRESIDENT HERMAN: On the motion as submitted by Commissioner Cook, all those in favor please signify by saying aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed? Carried and so

ordered. That, for the moment concludes that item on the agenda. And I believe that would include Item 3-A and 3-B.

(Side discussion, not transcribed.)

PRESIDENT HERMAN: Item 4. Cargo Services.

GENERAL MANAGER ABNERNATHY: Mr. President, I would like to request your indulgence in allowing us to hold this item over until your next meeting. We have no problems with the Blue Star Line in terms of our relationship and our entering into the agreement; however, they have not fully negotiated their terminal agreement and wanted to make sure that the agreement they sign with us is in accord with that terminal agreement. So with your indulgence I would ask that it be held over one meeting.

PRESIDENT HERMAN: No objection; so ordered.

GENERAL MANAGER ABNERNATHY: That concludes our report. Thank you.

PRESIDENT HERMAN: Thank you.

Item No. 5, tenant services.

VOICE: Good afternoon, Mr. President, Members of the Commission. We have before you today seven items in the tenant services calendar.

PRESIDENT HERMAN: Do you want to delete any of them?

VOICE: No, we'll be moving forward with (inaudible).

(Laughter)

VOICE: But we will move very quickly. I will be presenting Item A, Items B and C are Fisherman's Wharf items and the Manager of Fisherman's Wharf, Kirk Bennett, will be handling those. Dorothy Schimke will be handling Item D and Cliff Jarrard, our Chief Harbor Engineer will be handling Items E, F and G. But in an effort to move that quickly, before you today on Item 5A for action is the adoption of the standard lease forms and the leasing parameters. At the Commission Meeting of August 25th I presented these items to you in detail as an informational item. To summarize, these two items are important steps in our continued effort to streamline and expedite the Port's marketing and leasing process. I'd be happy to answer any questions. This is an action item for you today.

PRESIDENT HERMAN: Is that the single Item 5A we're dealing with now?

VOICE: That is, Commissioner Herman.

PRESIDENT HERMAN: Discussion?

COMMISSIONER COOK: I move adoption of this Resolution.

PRESIDENT HERMAN: Seconded?

COMMISSIONER: Second.

PRESIDENT HERMAN: All those in favor --

COMMISSIONER O'NEILL: Just a --

PRESIDENT HERMAN: Yes, Commissioner O'Neill.

COMMISSIONER O'NEILL: Commissioner Cook and I met with Michael Janis and Dorothy Schimke who came in on a sick day and met with us and we met rather late at night. They did a tremendous job on simplifying, clarifying and making our leases a lot more readable and legible to ordinary business people, and I commend them for that. We've shortened it down by half the pages approximately, and there are some -- most of the things that are contained in there are required by city charter, but the stuff that's by economic importance to the Port is very clearly stated and they did a great job. I just want to say thank you.

VOICE: Thank you, Commissioner, I need to add that the City Attorney's Office was also very involved --

COMMISSIONER O'NEILL: And the City Attorney's Office.

VOICE: And Julie Van Nostern's office did a great job on it. Thank you.

COMMISSIONER COOK: My only comment is I'm sure that Mr. Al Gore would be very pleased with this resolution.

(Laughter)

PRESIDENT HERMAN: On the motion. 5B. All those in favor, concurring, please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed?

VOICE: 5A.

VOICE: 5A.

PRESIDENT HERMAN: 5A. My apologies. Part of my confusion today. 5A. 5B then might -- All those in favor of -- aye -- say yes?

VOICES: Aye. Yes.

PRESIDENT HERMAN: And those opposed would say no. And there are -- everybody is in agreement. 5B?

VOICE: Thank you, Commissioner.

MR. BENNETT: Mr. President, Commissioners, this also is an action item relating to the business points of a pedicab license agreement. As the Port Commission is well-aware, the operation of pedicabs on Port property has been a contentious matter for a number of years. Based upon discussion with members of the Fisherman's Wharf community and with Port and City staff, the fundamental issues were identified as follows:

Number one, no rent was being paid to the Port;

Number two, the pedicabby -- pedicab operators were soliciting throughout Fisherman's Wharf; and

Number three, the behavior of some operators is inappropriate and impacted existing Wharf tenants and their customers.

Almost all of the pedicab permits issued by the

City, thirty-three out of forty, are owned by two pedicab leasing companies, Barbary Coast Pedicab Leasing Corporation and San Francisco Pedicab Tours. A series of negotiations have been conducted with the principals of these two leasing companies. The goal of these negotiations have been to reach agreement on the terms and conditions under which the pedicabs can operate under a license on Wharf property.

And it was determined that the fundamental criteria for mutually-acceptable agreement were as follows. The pedicabs must pay a fair rental to the Port, and two, the pedicabs must confine to a stopping queue in its soliciting to designated pedicab stands in the Fisherman's Wharf. These stands must have sufficient queueing capacity, be located where they minimize impact on existing Port tenants and must meet the locational requirements of pedicabs, use their stands like those of other types of cabs, must be located at spots where prospective customers seek this mode of point to point transportation. Finally, there must be a mechanism for enforcing the location, of soliciting, and the behavior of the operators.

Based upon the above criteria an agreement was reached, or has been reached with the two primary pedicab rental companies. Barbary Coast Leasing Corporation and San Francisco Pedicab Tours have both signed letters of intent which include the following provisions, and for press of

time I can -- you, would you like me to proceed and just kind of run through these provisions?

Going through --

PRESIDENT HERMAN: I think that would be helpful.

MR. BENNETT: Okay. I'd be happy to do so.

Number one. The form of the contract is a license agreement. It is not a lease.

Number two. The license would be limited to the existing pedicab permits.

Number three, a simple, fair and effective mechanism for enforcement was agreed upon, which provided that it would be administered as a contractual default procedure which encourages self-policing by the pedicab owners. If three infractions are identified with an operator, then the owner of -- the owner, pedicab owner, loses the right to one pedicab on the Port property for one calendar year. If this is not complied with, then that owner will lose all of his, his entire license to be on Port property.

These infractions will be enforceable by property managers, wharf renters and by PCOs.

Number four. On percentage rent, which would -- which would be based upon the rentals received by the pedicab owners, a tiered percentage rent formula was developed, up to six hundred dollars per pedicab per month,

it would be thirteen percent of the gross pedicab rental, plus, over six hundred dollars per pedicab per month would be fifteen percent of the gross pedicab rentals in excess of, in excess of six hundred dollars. How this works out in -- well, maybe this comes back to it, on the minimum rent, the minimum rent would be twenty dollars per pedicab per month. With forty potential pedicabs, that works out to eight hundred dollars a month. Because of the seasonality, the tenants will be paying greater minimum rent than the percentage rent in the winter time, and then they will be paying, obviously a higher percentage rent in the summer time. It works out to an effective percentage rent to the Port of fifteen percent, will be approximately what the pedicab owners will be paying.

And attached in the background information I gave you was a breakdown showing what the rent would be per pedi- -- per pedicab, and that'll also show how much, what would the allocation be to each of the two pedicab companies.

Based upon their past experience, and based upon using these formulas, the revenues which the Port will receive will be somewhere in the range of twenty thousand to thirty thousand dollars a year. And it could go higher, depending upon what volume of business that they do.

Number six. The solicitation would be limited to the following designated stands within the Fisherman's

Wharf, which is defined as Pier 39 through Jones Street, and there I refer you to the site plan which is attached to the background information.

There would be space provided in three stands for a total of twelve pedicabs, which represents thirty percent of the total pedicab permits. The first stand is existing Stand A which is at the northwest corner of Powell and Jefferson. There would be four spaces allowed there. Currently there's five spaces at that location. The second stand would be at the southwest corner of Powell and Jefferson, that would provide space for four pedicabs. The third stand at Fisherman's Wharf would be in the southeast corner of Taylor and the Embarcadero, and that would have four spaces for a total of twelve spaces. What's fundamental in this is these are the only places where the pedicabs will be able to solicit within Fisherman's Wharf. Currently the solicitation is taking place throughout Fisherman's Wharf.

Finally, regarding the location of stands in Fisherman's Wharf, in consultation with Muni, the following language would be added to the license agreement: Stands within Fisherman's Wharf shall be changed prior to the commencement of construction of the F Line in Fisherman's Wharf area so that no stand shall interfere with the F Line and so that no stand including Stand A shall be located in

the north side of Jefferson Street in the agreed-upon alignment of the F Line.

Number seven. There will be a fourth pedicab stand, Stand D, which will be located at Pier 1/2, not the Ferry Building, but Pier 1/2, and that would provide room for four spaces or four pedicabs.

Number eight. Pedicabs will avoid construction areas of the North Embarcadero Roadway where lanes are constricted to only ten to twelve wide lanes in one direction. Pedicab owners in the Port will work with the San Francisco Police Department to provide pedicab detour routes for these areas, and we are discussing that with the Police Department now.

Number nine. Quickly going through what constitutes an infraction for which a permit could be lost. I'll go through those quickly. Soliciting passengers on Port property between Pier 39 and Jones Street except in designated stands. Secondly, staging more than the designated number of pedicabs in the designated stands. Next, position a pedicab in a stand so that it extends beyond the boundary painted on the pavement for the -- delineating each of the stands. Next, using loud, profane or vulgar language or using a radio or other amplification equipment. Next, driving a pedicab that does not bear a valid pedicab permit issued by the San Francisco Police

Department. Next, driving a Pedicab on sidewalks, including the Embarcadero. Next, driving a pedicab in either the Franciscan or the Triangle parking lots. And finally, violation of specified pedicab regulations contained in the San Francisco Police Code which include requirements regarding the display of the schedule, operating regulations, safety requirements and loading requirements and there are actually several pages of that, so this is kind of a summary of those.

Then there are -- finally there was a few miscellaneous provisions that were agreed to.

First, the pedicab owners will use their good-faith efforts to provide Port tenants with advertising on their pedicabs, and after the current contracts expire, pedicab owners will provide a minimum of one week of free advertising for Port-sponsored promotional events.

Two, pedicab owners are -- will purchase and maintain concrete benches at the northwest corner of Powell and Jefferson, whose design shall be subject to the approval of the Port.

Third, pedicab owners shall reimburse the Port for the cost of any striping required to accommodate stands and to delineate stands, and that cost is not to exceed a thousand dollars.

Fourth, pedicab owners shall have a joint signage

adjacent to Stand A, whose location, size and design shall be subject to the approval of the Port and its sole discretion.

And finally, concurrent with the execution of the license agreement, and prior to March 1 of each calendar year, the pedicab owners shall provide the Port with a list of current pedicab permit numbers.

In summary, the operation of pedicabs at Fisherman's Wharf has been a difficult and contentious matter, which has been with us since 1986. Much time and resources have been expended by the Port to finally resolve this matter. The agreement which I have outlined is not perfect. But we believe that it constitutes the best possible solution at this time. It does represent a compromise by the parties, including the Port tenants, including the pedicab owners and operators, and the Port. As all compromises it does not -- it does address the concerns of everyone, but it does not perfectly satisfy anyone. All have had to give to reach this solution.

So based on the above, the staff recommends the approval of the resolution that authorizes the Executive Director to execute license agreements between the Port and the holders of the existing city pedicab permits, which incorporate the provisions outlined in this agenda summary, and whose form is approved by the City Attorney.

And I'm happy to answer any questions or go over anything I wasn't clear on.

PRESIDENT HERMAN: Members of the Commission? Questions. (Inaudible).

COMMISSIONER: I'm not sure if Al Gore would be too happy with this resolution.

(Laughter)

It sounds pretty complex. But it's certainly needed, and I'm glad, and this is a good start, in the sense that hopefully this is a workable agreement. I know it's been a long time coming and it's something that we need to do, very definitely.

My only concern with this is what happens if a competing firm comes in? Are they under these regulations? I notice just the names of two firms here.

MR. BENNETT: That's correct. There are currently forty permits which have been issued by the City. The two companies which we've negotiated with represent thirty-eight of those. There are two independents, one of them I've -- I finally tracked down last week, and I will be following up with him and he will be offered the same opportunity to have a, this -- the license agreement on the same terms and conditions. If he chooses not to, then he does not have the right to operate on Port property. But we will be offering it to all forty current permit holders, and there is no

plans at this point for the City to issue more. Their procedure, which we will be a party to, is that -- is very similar to taxicabs. They have to go through a hearing procedure, justify the need for additional pedicabs, and their feelings are that the number of pedicabs -- permits that have been issued to date satisfies the public demand for them.

COMMISSIONER: And for how long is this agreement for?

MR. BENNETT: This is a license agreement, so it's on a month-to-month basis.

COMMISSIONER: And you don't feel it necessary to have an overall agreement for any pedicabs? You think it's better just to name the two that we are now dealing with?

MR. BENNETT: What we'll have -- what we're presenting are the business points, for your approval. The next step -- and what we're asking for is the authority of the Commission for the City Attorney's Office to finalize pedicab permits, which include these provisions, and that would include these two owners, plus the two additional ones.

Beyond that, at the same time, the -- this, the City Attorney's Office will also be making amendments to the Harbor Code, which will include these provisions and may include some broader provisions regarding soliciting for

customers by other means -- or will, it will include soliciting for customers by other means of transportation without a permit, and that's currently lacking.

But we wanted to get the business points pulled together and then have a -- request the authorization to proceed with the legal documentation, that can capsulize it.

COMMISSIONER: Thank you.

PRESIDENT HERMAN: Commissioner O'Neill.

COMMISSIONER O'NEILL: Thank you very much, Kirk, and thank you to the operators of these pedicabs that -- we're glad to see an agreement, and I believe in -- I believe in the American way and what have you, and -- but I walk the Embarcadero quite often, probably five, four or five nights a week or days. Saturday there were six pedicabs parked at 1:10 p.m. in front of Pier 1 Deli there, and it was kind of difficult to get back and forth to the Farmers Market. This will clarify that and it will help immensely. Sunday there were more pedicabs unfortunately than there were pedestrians, I think. It wasn't a great weekend down there. You know better than I that the aggressiveness was, all along the route was, it was quite confusing to some tourists who didn't understand English too well, it, it -- this addresses that.

And then if I understand Item 9F, Kirk, driving a

pedicab on sidewalks is prohibited, including on the Embarcadero?

MR. BENNETT: That is correct.

COMMISSIONER O'NEILL: That -- so the pedicabs will not be on the sidewalk.

MR. BENNETT: That is correct.

COMMISSIONER O'NEILL: Thank you very much.

COMMISSIONER: I move adoption of this resolution.

COMMISSIONER HALSTED: Second it.

PRESIDENT HERMAN: I just want to say, I had the pleasure of participating in a limited way with Kirk, and I would compliment you on your patience and your diligence, and the support that you received from the pedicab operators themselves, who were very supportive in arriving at this agreement.

The motion is to adopt, it's been seconded; all those in favor please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed? Carry and so ordered.

COMMISSIONER HALSTED: And when is it we can start expecting compliance?

MR. BENNETT: As soon as the license agreement, I think Doreen, I saw her earlier, is preparing the license

agreements.

COMMISSIONER HALSTED: Okay.

PRESIDENT HERMAN: Item 5C. Who's going to handle that?

MR. BENNETT: I'll -- that's on Fisherman's Wharf as well.

PRESIDENT HERMAN: Yes, sir.

MR. BENNETT: Mr. President, Commissioners, this too is a -- this also is an action item of -- this time it's regarding ice production for fishing boats at Fisherman's Wharf. I -- it's just a little unusual to be on the agenda so if I can take a second to give you some background it might be helpful.

The fishing industry, which is comprised of fish and fish-handling is the heart of Fisherman's Wharf Community. Its vitality is essential for the continued economic health of the businesses which make up this community. This has been recognized by the Port, which has made significant financial commitments to the preservation of this industry at Fisherman's Wharf.

Work is well underway on the earthquake repairs to Pier 45, and design work is in process for the construction of modern fish-handling facilities in Sheds B and D. Currently, the commercial fishing on the Central California Coast is in a down cycle, which is threatening the economic

survival of some of the fishermen in Fisherman's Wharf. Several factors beyond their control or the control of the Port are impacting them, including small catches, increasing government restrictions, and falling prices. The early crab season was a bust, the salmon catch has been severely restricted, and the herring season may be canceled entirely this year. Fishing has thus been limited.

Ice is an essential commodity for the fishing boats in order to preserve their catch. It has been provided to the fishermen of Fishermen's Wharf in the past by Polar Ice, which is a tenant in Shed D of Pier 45. However, the recent limited fishing activity has drastically reduced the demand for ice by the fishing boats. This has severely impacted the revenues of Polar Ice, producing significant losses for his ice-making operation, whose primary expense is electricity. As a result, Polar Ice could no longer afford to continue this operation, and it turned off its ice-making equipment last month. Ice is thus no longer available at Fisherman's Wharf for any of the fisherman. Some do obtain ice from the fish handlers, but their ice production capacity is very limited.

With the salmon season now being opened for commercial fishing, this has produced a crisis for the commercial fisherman who have been unable to obtain ice.

The Fisherman's Wharf group for the Port has been

exploring several possible solutions to this crisis, so we've met with existing Port tenants at Fisherman's Wharf who might be able to alleviate this situation, and we've also contacted potential ice suppliers who are not Port tenants. We've been able to identify alternative temporary solutions to this situation, and we're very close to finalizing what we feel is the best possible temporary solution. Again I reiterate, what we're trying to accomplish is a temporary solution.

The permanent solution to this problem will be addressed in conjunction with the leasing of Sheds B and D at Pier 45 for fish handling. The leasing plan for Sheds B and D is now being prepared, which includes an updated market rental and demand survey. Each of the alternative temporary solutions, including the preferred one, would include the Port abating the electricity charges incurred to produce ice, which requires the consent of the Port Commission.

Because of the urgency of this matter, the staff requests that the Port Commission authorize the Executive Director to execute an agreement to abate the electricity charges for the production of ice for fishermen at Fisherman's Wharf.

This authorization would be limited by the following conditions:

One, the electricity charges would be -- abatement would be on a month-to-month basis. It would not extend beyond one year. There would be a lid on the amount of the electricity charges abated. And in the event of electrical modifications are required for the installation of ice-producing equipment and rental abatement is required to offset the cost of these modifications, there would also be a lid on such rental, on this rental abatement.

In short, this is a very significant issue affecting the Fisherman's Wharf fishing fleet at a very critical time, and the fishing fleet is looking toward the Port for leadership in solving the problem. The staff therefore recommends approval of the proposed resolution.

Again I -- any questions or any area I wasn't clear on.

PRESIDENT HERMAN: Members of the Commission.

COMMISSIONER HALSTED: Move approval.

COMMISSIONER: I'm sorry. This is a substantial item and --

MR. BENNETT: Yes.

COMMISSIONER: -- we do have to work with our fishermen and we want to keep them. We love them dearly, please tell them that. And this is a commitment that might cost the Port forty-two thousand dollars for one year, plus the three thousand, which could be a forty-five thousand

dollar commitment, which I'm glad to recommend, because we have to help them out. We certainly want them to stay with us.

MR. BENNETT: But keep in mind, Commissioner, that we just adopted a resolution with the pedicabs that will subsidize the ice-making machinery.

(Laughter)

COMMISSIONER HALSTED: Right!

MR. BENNETT: So we're about even.

COMMISSIONER: Okay, Kirk, we're --

COMMISSIONER HALSTED: But they might want some ice.

COMMISSIONER: I hope the pedicab operators are -- understand their role here in ice-making at the Fisherman's Wharf.

COMMISSIONER: Very crucial role.

COMMISSIONER: I move for adopt.

PRESIDENT HERMAN: I think we'll probably hear that argument --

COMMISSIONER HALSTED: Second.

PRESIDENT HERMAN: -- if anybody tries to mess with the pedicabs.

COMMISSIONER HALSTED: That's right.

PRESIDENT HERMAN: We'll be reminded that they pay a very important service that is necessary at the Wharf.

COMMISSIONER HALSTED: That's right.

PRESIDENT HERMAN: And I would concur in it too.

COMMISSIONER: Mr. President, do --

PRESIDENT HERMAN: At any rate, you have a motion and it's been seconded for concurrence. All those in favor please say aye?

VOICES: Aye.

PRESIDENT HERMAN: Opposed. Carried and so ordered. Next item is 5D.

MS. SCHIMKE: Good evening, Commissioners.

PRESIDENT HERMAN: Good evening.

MS. SCHIMKE: The consent calendar tonight consists of four routine leases. The business terms are outlined on your (inaudible) sheet. Be happy to answer any questions, and request your action.

PRESIDENT HERMAN: Dealing with Item 5D. Is there any discussion?

COMMISSIONER: I move adoption of this resolution.

PRESIDENT HERMAN: Motion to adopt. Is it seconded?

COMMISSIONER: Second.

PRESIDENT HERMAN: All those in favor please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed. Carried and so ordered.

MS. SCHIMKE: Thank you.

PRESIDENT HERMAN: Thank you. 5E?

MR. JARRARD: Good afternoon, Mr. President, Commissioners?

PRESIDENT HERMAN: Good afternoon.

MR. JARRARD: Item 5E we're asking for -- this is an action item.

I won't read the item for you, from previous Commission actions you know that we accepted the first (inaudible) of Page 1, a very fine project that was paid for entirely by outside funds, and likewise by previous Commission action you approved the grant of nine million dollars of State and Federal monies to provide for Phase II of the construction of Pier 1/2, and Phase II will consist of the improvements to the deck, structural improvements to the deck to make it earthquake-proof. It will involve the connection of the Golden Gate Transit Facility to the existing Ferry Terminal, and will look at the best location of the Ferry -- whatever the ferry facility is, the building, or whatever, whether incorporated into the Ferry Building or a separate building.

In any event, it's wonderful to get this nine million dollars, and the Port will be providing a lot of the

design for this internally, with staff, however, we do not have the resources to do all the design work or the architectural investigations internally, and in order to provide the best job possible we need to go out for outside services, architectural and engineering services to get that done.

We're asking to go for an RFP for architectural and engineering services to do certain work that we can't do. This RFP will provide for a contract that will be in two phases, the first phase will be to look at the schemes to come up with the best scheme, the layout of an additional barge, the connection, whatever that is, and once the -- and incidentally, this will be compatible with the charette, all that you saw in the charette, it will be compatible with another item that you're going to hear this afternoon, which is the Ferry Building feasibility study, be all well-coordinated. And after we get something that's approved by everyone, the operators, Port staff, and so on, we will come back to you and ask for the approval of Stage II, which would be the design of that, and I repeat, that the Port staff will be doing a lot of the design itself and -- also funded by outside monies, incidentally, which is good news, and we ask for your approval for this RFP.

PRESIDENT HERMAN: That's on Item 6A. What is the pleasure of the Commission?

VOICE: 5E.

VOICE: 5 echo.

VOICE: No, we're still on 5E.

PRESIDENT HERMAN: 5 what?

VOICE: 5E.

VOICE: E as in Edward.

PRESIDENT HERMAN: 5. Oh. Yeah. Right. 5E. What is the pleasure of the Commission?

COMMISSIONER HALSTED: Move approval.

PRESIDENT HERMAN: Second?

COMMISSIONER: Second.

PRESIDENT HERMAN: All those in favor please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed? Carried and so ordered.

MR. JARRARD: Thank you. Item 5 -- and I'd like to thank Joe Roger who was the Project Engineer, here to answer any questions. Thanks, Joe.

Item 5F was also an action item, and by previous Commission action you know that we approved a corporate agreement with CalTrans to get over six hundred thousand dollars for them to pay for the removal of contaminated soil from Piers 26 and 24, and those of you who are on the Commission know that we tore down the shed on Pier 24 last

year, so we used part of that money already to remove the contaminated material. Also by previous Commission action you know that we got a supplemental appropriation of a hundred and forty thousand dollars to remove the lead-contaminated material on the roof of Pier 28. And since we were so good at identifying lead-contaminated material, there was lead-contaminated material discovered on Pier 36, where we have a tenant who is interested in Pier 36, and we would like to issue a contract for the removal of lead-contaminated material on Piers 26, 28, and as an option item, Pier 36. And -- if money allows for that that we have. And Project Engineer Frank Palumbo is here to answer detailed questions if you have any on that. Just wanted him to be recognized.

PRESIDENT HERMAN: Does anyone have any questions?

COMMISSIONER HALSTED: One question.

PRESIDENT HERMAN: Commissioner Halsted.

COMMISSIONER HALSTED: Once removed, do we have anything to stop it from continuing to accumulate?

MR. JARRARD: The lead -- well, the lead that was -- that accumulated there on Piers 24 and 26 was from lead-contaminated paint from the Bridge, and they don't use lead-contaminated --

COMMISSIONER HALSTED: It's not being used anymore?

MR. JARRARD: -- paint anymore, so -- excuse me, my voice is recovering from a cold and it's squeakier than even usual.

COMMISSIONER HALSTED: Thank you.

MR. JARRARD: So that, that won't be a problem and the other material (inaudible) there from ship repair in the past, so. Hopefully not.

COMMISSIONER HALSTED: Thank you.

PRESIDENT HERMAN: Yes, Commissioner.

COMMISSIONER COOK: Cliff, it looks like we are paying out of our own pocket a hundred and forty dollars for flood abatement?

MR. JARRARD: Yes.

VOICE: A hundred and forty thousand.

COMMISSIONER COOK: Is that right?

PRESIDENT HERMAN: One hundred and forty thousand.

COMMISSIONER COOK: And where is -- where does that lead come from?

MR. JARRARD: This was from -- this was determined to come from ship repair.

COMMISSIONER COOK: Not from the Bridge.

MR. JARRARD: No. And that, this is kind of a, a purification. In essence, there was probably contaminated material on Piers 24, 26 and 28, from the Bridge, and likewise probably some from ship repair on those three

facilities as well. It was worked out some time in the past where, agreed to by -- between CalTrans and the Port, and I believe that was to be -- may have been before you were here, Commissioners -- where the cost would just be split. The Port would take twenty-four -- I'm sorry, CalTrans would take 24, 26, and the Port 28. So it was -- and it was a pretty reasonable agreement.

COMMISSIONER COOK: Then are we mitigating a problem on, on future lead on shipping? So this won't occur again? Is that possible? Is that doable?

MR. JARRARD: I couldn't answer that, Commissioner.

COMMISSIONER COOK: Well, I'm just concerned about our environmental policy having to do with lead dust, lead -- lead paint on any other shipping that we may have at the -- or ship repair at the Port.

MR. JARRARD: I, I think lead paint is probably not legal.

STAFF: Commissioner Cook, as far as the environmental and -- the environment that the ship repair firms are operating in today, it is a highly-regulated industry, both from air quality and water standards, and both our firms are in compliance and continue to be in compliance.

COMMISSIONER COOK: Okay. Thank you.

PRESIDENT HERMAN: One question I want to ask you. At the last meeting, although it's not directly related to anything on the agenda, I asked about Pier 48 with respect to dredging.

MR. JARRARD: Yes.

PRESIDENT HERMAN: And why dredging was not scheduled.

MR. JARRARD: Yes.

PRESIDENT HERMAN: And as long as you're up there, I wonder whether you have a response to that and -- number one -- and number two, whether there has been an evaluation made as to the condition with respect to toxicity or lead -- lead or any other contaminants, do you know that if we -- when and if we are in a financial position to dredge Pier 48, whether the condition below will allow for that to happen? Do you have any examination -- been made?

MR. JARRARD: Yeah. Well, the answer to the points that you made, and that was going to be at the next Commission meeting. I didn't realize you'd be here, but --

PRESIDENT HERMAN: You can hold it over then, really.

MR. JARRARD: No no no. That's okay. I'll address it now. The -- to begin with, the plan for dredging at Pier 48 was in the five-year plan, and it was for next year. The approximate quantities, and I wish I had brought

that back to -- back with me, but the cost of dredging the approaches -- Commissioner Cook also asked about Pier 50. So, the 48 and 50, the approaches, the cost of dredging would be about four hundred and fifty thousand dollars, based on the contract prices that we have in the current dredging contract.

Historically, I believe that it's been about, oh, seven years since 48 was dredged, and as far as what the toxicity is, since we haven't conducted any tests I couldn't tell you what sort of costs we're dealing with there. As far as -- excuse me --

VOICE: This, you know, one thing. This subject is pretty complicated. I suspect you might want to wait till the next meeting. We've got a long agenda here and it's going to get fairly complex I think.

PRESIDENT HERMAN: I have no problem doing that. I would withdraw my question. So that you can then make a comprehensive report on this subject matter at the next meeting.

MR. JARRARD: Yeah, I would just say one final -- make one final point. Sorry, but -- I'll withdraw that final point. Thank you.

(Laughter)

PRESIDENT HERMAN: Don't get nervous.

(Laughter)

PRESIDENT HERMAN: It's okay.

VOICE: Well, we still want approval of this --

PRESIDENT HERMAN: But otherwise on the subject matter that is before us, Item 5F, is there a motion?

COMMISSIONER HALSTED: So moved.

PRESIDENT HERMAN: Seconded?

COMMISSIONER COOK: Second.

PRESIDENT HERMAN: All those in favor say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed. Carried and so ordered. Item 5G.

MR. JARRARD: Thank you very much. Thank you, Frank.

Item 5G, every other year, or every -- we do the two fireboats on alternate years, and this year we're scheduled to do the drydocking of the fireboat Phoenix. Each year or at least in the most recent years we've been putting eighty thousand dollars in the Fire Department's budget for doing this drydocking, and we would ask your approval to go forward with the advertisement of a construction contract for drydocking the Phoenix and there are a list of items if you're interested that we propose to put in that contract. We will structure the contract in such a way to get the most for our money, so that we can do eighty thousand dollars worth of work, get the most out of

it, and I'll recognize Project Engineer Skip Zeller who's here, if you have detailed questions about that.

PRESIDENT HERMAN: Commissioner, what is your pleasure? Did you want to make a statement?

VOICE: He's the project engineer on this (inaudible).

PRESIDENT HERMAN: You're more than welcome to. Are there any questions of Skip?

COMMISSIONER O'NEILL: Just one quickie. This is a budgeted item of an ongoing year-in and year-out item.

MR. JARRARD: Yes.

COMMISSIONER O'NEILL: Is that correct?

MR. JARRARD: Right.

COMMISSIONER O'NEILL: We alternate. And it is in our budget?

MR. JARRARD: Yes.

COMMISSIONER O'NEILL: Okay, I want to verify that. Thank you.

MR. JARRARD: Yeah. The Port budgets the money, but it's for the Fire Department.

PRESIDENT HERMAN: What is the pleasure of the pleasure of the Commission?

COMMISSIONER O'NEILL: I move adoption of this resolution.

COMMISSIONER COOK: Second.

PRESIDENT HERMAN: All those in favor please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed. Carried and so ordered.

MR. JARRARD: Thank you very much.

PRESIDENT HERMAN: Thank you. We now have a -- good afternoon.

MS. POLLEDRI: Good afternoon, Mr. President, Commissioners. We have two action items under the Planning and Development and Community Affairs agenda. The first item will be presented by Jack Pizza, City Attorney Jack Pizza regarding approval of the Mission Bay Port Agreement to License and to Option and approval of Agreement Concerning the Public Trust.

The second action item regards your approval, or seeks your approval, of the issuance of a request for proposal for the RFP with the Ferry Building preliminary design and feasibility study, and this will be presented by Project Coordinator Paul Osmundson who will be available for any questions about it.

PRESIDENT HERMAN: Thank you.

Attorney Pizza.

CITY ATTORNEY PIZZA: Commissioners, we're back again, hopefully for the last time on Mission Bay. As some

of you will remember, because you were here and I think, hope others have reviewed memos and are up to date, we were here at the Commission a couple of years ago, in December of 1991, getting approval on the various land transfer documents which were needed to implement the agreements between the Port and Cattellus regarding the exchange and lease of property from Mission Bay.

There was an expectation at that time that those agreements were going to be executed in short order and become operative. For a variety of reasons which we outlined to you in a briefing several months ago, things got delayed. The issues that were delaying execution have all been resolved, we're ready to move forward. The agreements required some refinement because of the passage of time. I've outlined what those are in the, in my memo to you.

I'd be happy to go through them if you'd like. If you have a question I'd be happy to report that we are moving along quite quickly on this. We are tenuously, but we are on the State Lands Commission agenda tomorrow, trying to hold it. A lot of phone calls going on. I expect that we will get approval from the State tomorrow.

If that happened we would expect that the Governor will sign the agreements that he has to sign in short order and within four months after the Governor signs that, the agreement, the Port will receive an initial payment from

Cattellus of nine hundred and sixty-eight thousand dollars for a license down on Commission -- in the China Basin Creek area.

So things are moving along well. I'd be happy to answer any questions. If you'd like I can go into more detail as far as outlining the changes to the agreement.

PRESIDENT HERMAN: Any questions, Commissioner?

COMMISSIONER HALSTED: I have a couple.

PRESIDENT HERMAN: Commissioner Halsted.

COMMISSIONER HALSTED: First, I'm anxious that we get that state lands agreement in order to get that money that we have budgeted as income, nine hundred and sixty-eight thousand dollars, it makes a big difference to lots of people like the icemakers and -- and others at the Port, so I would encourage us to move as quickly as we can on that, or get Ben to move.

Secondly, I guess I'm anxious to know when we might expect to get the Western Pacific property, to get that lease.

MR. PIZZA: Commissioner, the Western Pacific Property, it's -- the Port will at some point in time be getting that property in a fee -- in fee interest. There's some title issues that have to be resolved before it's transferred in fee. In the interim, Cattellus has agreed to lease us that property for a dollar a year for up to seven

years. Port staff has indicated they're quite anxious to get that property under the lease, because there's a lot of interest that we have had as far as subleasing and also we have -- the Port has its own need for that property.

That property will be conveyed when certain hazardous materials remediation is completed, and Cattellus can I think address when they would expect that to take place.

MR. AUGUSTINO: Thank you. Commissioners? President?

PRESIDENT HERMAN: Good evening.

MR. AUGUSTINO: I'm Jim Augustino with Cattellus Development Corporation. Regarding the lease we have been in the permit process with the State, the Corps of Engineers, the City, over the last eighteen weeks or so to get a permit to do the initial cleanup that's required as a part of our mutual agreements, and we have all those permits as of about two weeks ago and will begin the cleanup which will take eight weeks, so we'll have eighteen weeks for permitting and eight weeks to do the work. So you should be getting it by the end of the year.

COMMISSIONER HALSTED: Good. Before you go away, the next -- the last question might be more for you than for our attorney.

I understand there's a potential proposal for the

Port to lease some of the property in which you, Cattellus has an option, and where we might, the Port might again have an opportunity to make some revenues and you may well not have much interest in it, in leasing it, and I'm just anxious that you let us know how you feel about that and whether or not you think you can be cooperative in our negotiations.

MR. AUGUSTINO: Actually in the new spirit of cooperation among the City's agency staff and commissions, we -- that's an area that we're working together to try to come up with a way to solve the mutual -- the minor issues that are related to that lease and I think we can probably get there.

COMMISSIONER HALSTED: As it would make, again, a substantial difference to the Port.

MR. AUGUSTINO: No, I'd say we can talk about it. We think it's a great idea.

COMMISSIONER HALSTED: Great. Thank you.

COMMISSIONER O'NEILL: I move adoption of this resolution.

COMMISSION: Second.

PRESIDENT HERMAN: Motion made and seconded to adopt Resolution No. 6E.

VOICE: 6A.

PRESIDENT HERMAN: 6A, rather. All those in favor

say aye?

VOICES: Aye.

PRESIDENT HERMAN: Oppose? Carried and so ordered.

MR. PIZZA: Thank you, Commissioners.

PRESIDENT HERMAN: Thank you. 6B.

MR. OSMUNDSON: Good evening, Mr. President, Commissioners. This is an action item, we're requesting your approval to issue a request for proposals for preliminary design and feasibility services for the renovation of the Ferry Building. As you know we've been actively seeking various public grant funding sources to fund preliminary work on the -- for the renovation of the Ferry Building. This Commission adopted a resolution on May 26 of this year authorizing us to apply for and accept, and expend a million dollars in funds from the Transportation Enhancement Activities Program of IST (phonetic).

On August 5th of this year the California Transportation Commission adopted a resolution that approved our one-million-dollar application. Our grant was, is intended to fund preliminary design and feasibility work and environmental review of the Ferry Building renovation.

I should point out that what we're asking for right now is approval to issue a request for proposals just for the preliminary design work. We're going to issue a

separate RFP for the environmental review within the next several months.

Due to the complex nature of this project and your desire to prioritize and move forward on this, we're recommending that a consultant team be hired to perform preliminary design and feasibility analysis on the project. The consultant would be responsible for formulating three potential development alternatives for the building, combining public transportation and commercial uses, each alternative would include conceptual plans, layouts, et cetera, and then they'll be presented to you for your review and approval and we'd request eventually that you select a preferred alternative and then the consultant would refine that in more detail.

As you also know, the Ferry Building is on the National Register of Historic Places and as such requires specialized expertise in historic renovation. The project is being funded by Federal Highway Administration funds and administered by CalTrans which requires that we use CalTrans disadvantaged business program, which provides for a twenty-two percent disadvantaged business subconsulting goal for the project.

We've -- we estimate that the cost of the study will be approximately four hundred thousand dollars. We are still awaiting approval from CalTrans staff of the RFP, but

expect that approval will be routine. And this resolution will allow us to issue the RFP, select a preferred consultant and negotiate a professional services contract. Any contract would be brought back to this, to the Commission for approval. I'd be happy to answer any questions.

PRESIDENT HERMAN: Commission?

COMMISSIONER O'NEILL: Excuse me, Paul. Is this an approval to issue an RFP or approval to go forward and then come back to us with an RFP for approval? I don't --

MR. OSMUNDSON: It's -- your approval would allow us to issue the RFP. We have the RFP prepared --

COMMISSIONER O'NEILL: Oh, it's prepared. I haven't seen it.

PRESIDENT HERMAN: Yes.

COMMISSIONER O'NEILL: I think -- it should have been in the package.

VOICE: It should have been in the package.

COMMISSIONER O'NEILL: Okay. Okay. (Inaudible).

MR. OSMUNDSON: We do have an RFP prepared, drafted, it's been reviewed by Port staff. The only review -- and the HRC. The only outstanding approval is from CalTrans, so we would be issuing the RFP and we'd be coming back to you once we had a selected, preferred consulting team and had a contract negotiated, but that contract is

still subject to another approval.

PRESIDENT HERMAN: Okay, on Item 6B?

COMMISSIONER O'NEILL: I move adoption of this resolution.

COMMISSIONER HALSTED: I second it, and commend you for your speed in moving on this matter.

COMMISSIONER O'NEILL: Yeah, I would just like to second that. It's an incredible document. I think it has very high expectations, and I read it over and it's extremely thorough. I think it's going to be tough to find a team to do all the things that you're requesting, but we watch those things, and I'm sure we'll find some --

VOICE: I suspect you'll have a lot of proposals.

COMMISSIONER HALSTED: I think so too.

MR. OSMUNDSON: We take the approach that we want to get -- ask them to do way more than we are paying them to do.

COMMISSIONER O'NEILL: That's what I like to hear. Thank you.

PRESIDENT HERMAN: On the motion. All those in favor of concurring, please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed, carried and so ordered. Seven, internal services.

MS. CHAN: Good afternoon, Mr. President, Port

Commissioners. I'm Pearl Chan, Internal Services Accounting Manager, and I'm substituting for Jack Conrad who is away on vacation today. I'm presenting the refunds and allowances report for the period ending July 31st.

This is an action item and if you have any questions I'll be glad to answer them. The total refunds and allowances for July was thirty-four thousand two hundred and fifty-eight, and out of that cargo services was nineteen thousand six hundred and three and tenant services, fourteen thousand six hundred and fifty-five. If you have any questions, I'd be glad to --

PRESIDENT HERMAN: Questions?

COMMISSIONER HALSTED: Move approval.

COMMISSIONER O'NEILL: Second.

PRESIDENT HERMAN: Motion has been made and seconded to approve. All those in favor please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed, carried and so ordered. Thank you very much. Item 8, legal.

VOICE: There's nothing in that report.

PRESIDENT HERMAN: Good. Anytime we get things that are legal they always cost money.

Is there any new business?

Before we adjourn, Commissioner Halsted wants to adjourn in the name of?

COMMISSIONER HALSTED: I would like to suggest that the Commission adjourn its meeting and send letters to the families of three longstanding Port tenants who have passed away recently, Frank Pompei of Pompei's Grotto, started in 1946. He was age 73. Joe Scoma, cofounder of Scoma's Restaurant, and brother of Al Scoma, and third, Gus Papadakis, the current owner of Pier Inn, son of the founder Papadakis, who was killed in a car accident recently. So our flags have been lowered to half mast this week because of those three losses, and again I'd like to adjourn the Commission meeting in their names, their honor, and suggest that the staff draft notes to their families.

PRESIDENT HERMAN: The motion by Commissioner Halsted is that we adjourn this meeting in memory of those three longtime tenants, who passed away, and that we communicate our sympathies to the members of their respective families. Is that motion seconded?

COMMISSIONER: Second.

PRESIDENT HERMAN: All those in favor please say aye.

VOICES: Aye.

PRESIDENT HERMAN: Opposed? Carried and so ordered. Thank everybody for being ...

(End of tape)

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I, Milton Hare, hereby declare that the foregoing transcript of tape recordings labeled "9-8-93, 1," and "9-8-93, 2" is an accurate, full and complete typewritten record of the proceedings audible to me. I hereby express my willingness to correct, upon the order of a responsible hearing official or upon stipulation of counsel, phonetic misspellings of proper names and mistakes in the transcript resulting from mishearings due to inaudibility.

I further declare that I have no interest in the outcome of this matter and no relationship to any of the parties thereto.

Dated September 16, 1993 at San Leandro, California

MILTON HARE, Transcriber
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PORT OF SAN FRANCISCO

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., September 22, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

A G E N D A

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

3. **EXECUTIVE**

   A. An executive session is calendared for discussion of a personnel matter. The City Attorney's Office is of the opinion that based on existing facts and circumstances, discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54957.

   B. Authorization to rescind Resolution No. 91-58 which authorized the Port's Executive Director to execute the Development Memorandum with Scandinvia Center Inc. and authorizing the Port's Executive Director to take all necessary actions to implement the Development Memorandum.
   Resolution No. 93-124
   (This matter was continued from September 8, 1993 meeting.)

   C. An executive session is calendared for discussion of real property negotiations with Erik Norgaard regarding the proposed Scandinvia Center Project at Pier 30-32. The City Attorney's Office is of the opinion that based on existing facts and circumstances discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.8.

4. **CARGO SERVICES**

A. Approval of 3-Year Marine Terminal Agreement with Blue Star Line
Resolution No. 93-119

B. Approval of Supplemental Appropriation from Port Bond Funds and Fire Proceeds to Improve the Height Clearance in Tunnels 3 and 4 for Movement of Doublestack Container Rail Cars and Related Track Improvements.
Resolution No. 93-131

C. Authorization to Award Contract to Sverdrup Civil Inc. for Conceptual Engineering and Engineering (Phase I) of Gauntlet Track for Movement of Doublestack Rail Cars through Tunnels 3 & 4 and related track improvements; and Approval to Negotiate for Final Engineering and Design(Phase II).
Resolution No. 93-132

D. Status of Accounts Receivable ending August 31, 1993

5. **TENANT SERVICES**

A. Assignment of Gelardi's Lease to Andre-Boudin Bakeries, Inc.
Resolution No. 93-133

B. Approval of Parking Bid Package.
Resolution No. 93-134

C. Modification of Standard Leasing Parameters.
Resolution No. 93-135

D. Status of Accounts Receivable ending August 31, 1993

6. **PLANNING & COMMUNITY AFFAIRS**

A. Informational Presentation on the Proposed Installation of JC Decaux Street furniture in Port of San Francisco Jurisdiction.

7. **INTERNAL SERVICES**

8. **LEGAL**

9. **NEW BUSINESS**

10. **ADJOURNMENT**

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
SUITE 3100 FERRY BUILDING
SAN FRANCISCO, CALIFORNIA

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Wednesday, September 22, 1993

M I N U T E S

President James R. Herman called the meeting to order at 4:15 p.m., with all members in attendance.

1. ROLL CALL.

PRESENT: James R. Herman, President
Anne Halsted, Vice President
Ming Chang-O'Brien, Commissioner
Francis J. O'Neill, Commissioner
Preston Cook, Commissioner

ABSENT: None

Commissioner O'Neill asked that the transcription of the minutes of the September 8, 1993 meeting reflect his responses as "yes" not "yeah" as indicated. With that correction, the minutes were approved by motion of Commissioner Halsted, seconded by Commissioner Cook, and carried.

President Herman announced that the next three items would be heard in executive session at the conclusion of the public portion of the meeting. Mr. Abernathy indicated that Item 3B is an open session item which was continued from the September 8 meeting, and suggested that the Commission hear this matter prior to the executive session at the end of the open session.

Mr. Abernathy reported on a small kitchen fire at Pier 39's Neptune Palace Restaurant, which resulted in some limited damage. Repairs are being made, and the restaurant expects to be back in business at the end of the week.

The Commission was asked to join the Mayor in a commemorative ceremony aboard Princess Cruise Lines' Regal Princess on Wednesday, September 29. This event is being hosted by Mayor Jordan who will accept a contribution from Princess Cruises for Fleet Week.

Mr. Abernathy asked Roger Peters to report to the Commission on the Port's dredging plans for Pier 48 and 50, and by way of background spoke of the tremendous amount of deferred maintenance here at the Port due to the overall lack of funds. There is alot of work that needs to be done both at the landside and the piers, and there has not been sufficient revenues to do this work. The Port has had to respond to issues in terms of correcting or responding to deferred maintenance. It's been more revenue-driven, where there has been a source of income with a tenant that immediately requires that. We just don't have the money to do otherwise.

Mr. Peters noted that for the last several years, the Port has been dredging based on business demand and revenues from business activities that require dredging. Recently in the case of Piers 48 and 50 due to a lack of demand, no dredging has been planned. The analysis presented should these facilities be dredged are based on two scenarios: a "design" depth which would provide 35' of water at both the approach and the berth; "minimal" depth which would provide 30' of water at each berth and 26' in the access channels. Design dredging allows vessels to come and go at will. Minimal approach provides that typical vessels wait for high tide to arrive or depart but would remain afloat on berth. Cost per cubic yard is estimated to be $3.00. Based on this figure, total cost for design dredging at Pier 48 would be $834,000 for 278,000 cubic yards, and for 115,000 cubic yards of minimal dredging the cost would be $345,000. This estimate assumes that the dredge material would be "clean" and disposable at Alcatraz. If this were not the case, the cost would be between five and seven times the dollar amounts indicated.

At Pier 50, the cost for design dredging is estimated at 109,000 cubic yards at $327,000, and for minimal dredging of 63,000 cubic yards the cost would be $289,000.

Additional annual maintenance dredging costs for Pier 48 are estimated at $88,000 per year. Maintenance costs for Pier 50 have not been developed.

Mr. Peters reiterated that staff's criteria for dredging has been business demand and revenue streams from that line of business to accomplish the dredging.

Commissioner Halsted asked whether not dredging exacerbates the condition, or whether there is a point at which the situation stabilizes. Staff averred that it was reasonable to assume not dredging this year, would mean another year's worth of sedimentation associated with it. However, once it fills up, it stops.

Discussion followed regarding the length of time involved to dredge Pier 48. It was agreed that the permitting and testing process was a much more rigorous and time-consuming process than the actual 30 days it would take to dredge.

Commissioner Herman asked if the condition of the underside of Pier 48 is known, such as the toxicity or what other problems might exist, and if it is not known, such an evaluation would have to be made prior to making a business decision. However, Commissioner Herman opined that a decision has already been made absent any such evaluation. Staff agreed that the decision was made based on lack of business demand. Staff does not recommend dredging Pier 48 or 50 because of a lack of demand.

Mr. Herman averred that it would be necessary to know the condition of the facility before entertaining any proposal. Mr. Herman expressed concern that staff's decision to not dredge Pier 48 because of lack of demand is in fact a de facto designation of one of the West Coast's prime marine terminals, and is a decision of great consequence that more appropriately falls within the purview of the Commission. The Commission should be advised as to the condition, as to what evaluation has been made as to possible or potential business uses, and then, in Mr. Herman's opinion, it is a Commission decision.

Mr. Abernathy suggested that the best way to approach this issue would be to provide the Commission with some more background material to be reviewed at the next meeting to show the recommendations that have been taking the available dollars and how they've been allocated. This was done by making a presentation to the Commission for authorization to go to bid. The Commission awarded a contract based on those recommendations to do a certain amount of dredging this year using those limited dollars. Primarily these dollars have been focused on Pier 35, which is critical due to the arrival this fall of a passenger ship, and spring dredging in the Pier 80, 96, and 27 area. There has been full discussion of where the dollars are being spent but not where the dollars are not being spent.

Commissioner Herman conjectured if federal dollars are available, at least to maintain terminals that are viable to business, for general use or specialized. Commissioner Herman said it should be generally known whether a facility is available, has been dredged, and the interior properly maintained. Then the Commission would make the decision on all questions related to dredging.

Mr. Abernathy assured Commissioner Herman that staff could certainly make a report on where the dredging dollars are now allocated, and also show where they are not being allocated. Mr. Abernathy noted that usually the federal government is adamant about not helping in the maintenance dredging, outside the federally authorized channels. They look to the local agencies as having responsibility for the berths themselves.

Commissioner Herman suggested that quid pro quo could be argued for, at least to maintain facilities that have been in service for so many years, in light of the recent gift from President Clinton to the Port of Oakland which gives them the opportunity for new berths. Federal dollars could give these facilities continued or renewed service on the basis of getting some assistance from maintenance dredging. Herman said a decision not to dredge is a decision to turn the key, lock up the terminal and simply take it out of use.

Commissioner Cook asked staff to provide information on both 48 and 50 individually, with regard to the last time there was active shipping at these facilities and to what degree at each one, and also provide an evaluation of the Port's capacity at its existing terminals.

In response to Commissioner O'Neill's question concerning the number of ships calling at Pier 48 and 50 over the last seven years, Mr. Peters described Pier 48 as an active marine terminal with two different size ships calling on a frequent basis until the spring of 1992. Since that time, there have been no vessels at that facility associated with cargo activity. At the Pier 50 site, the last vessel to call with cargo was in 1989, which was a coffee charter ship, on a single call basis.

Commissioner Herman reminded staff and the Commission that there is a history of these facilities having to do with cargo-handling that embraces a certain amount of continuity of companies that called there for a number of years. Prior to the time that of the paper ship, Pier 48 was a steel dock. Bethlehem Steel for many years brought ships to Pier 48. Then Bethlehem Steel built its own facility and moved to Richmond. But Pier 48 did not cease to be a viable terminal because of any design failure or dredging difficulties. In 1979 Pier 50 became a ship repair facility over strenuous objections from some members of this Commission and a decision was made to substitute that facility as a marine terminal accommodation to becoming a ship repair facility.

It was agreed that this matter would be handled at the next regular meeting, and the Commission moved on to the next order of business under Cargo Services. Staff requested that Item 4A be deferred until the next meeting, and the Commission concurred with this request.

4. CARGO SERVICES

B. The Commission was asked to approve a supplemental appropriation from Port bond funds and fire proceeds for the improvement of the height clearance in Tunnels 3 and 4 to facilitate the movement of doublestack container rail cars and related track improvements.

ACTION: Moved by Commissioner Cook, seconded by Commissioner Chang to approve Resolution No. 93-131, carried.

Commissioner Halsted expressed her delight that the tunnel project was finally getting underway, and commended the staff for the great effort expended in getting it to this point.

Mr. Abernathy indicated that there are still some outstanding issues to be resolved and negotiations are currently taking place with the Joint Powers Board on a memorandum of understanding to cover design, operational, funding and administrative issues. Staff is also working on a right of entry agreement with the Joint Powers Board for construction.

The estimated total cost of the Tunnel Project is $11,304,362 and the Port is applying for $8,979,000 in Federal Funding. After CalTrans reviews the project, it will submit the application for the first phase of the ISTEA Surface Transportation Monies ($5.4 million) to the Federal Highway Administration for processing. MTC which recommended funding for this project requires that these funds be encumbered by September 30, 1994 or else the funds will expire. Application for Interstate Transfer Funds will be submitted after the MOU between the Port Commission and the Joint Powers Board has been approved.

C. Staff next asked the Commission to authorize award of a contract for conceptual engineering and engineering (Phase I) of gauntlet track for movement of doublestack rail cars through Tunnels 3 and 4, and related track improvements to the firm of Sverdrup Civil Inc. Staff also requested approval to negotiate for final engineering and design (Phase II).

Mr. Kambiz Shadan, the project manager for the Tunnel Project, was introduced to the Commission. Mr. Shadan who is from Utilities Engineering Bureau, Public Utilities Commission, will be the liaison to the engineering team and Port staff on operational issues. Mr. Shadan, whose expertise is in transportation engineering, will oversee all the engineering of the project.

Ms. Sanchez explained that the sole source contract to Sverdrup was necessary because of this firm's technical familiarity with the structural, operational and regulatory requirements of the project, and the alternative, having the Port prepare a RFP would delay the project schedule and jeopardize Federal grants.

Commissioner O'Neill asked if the $186,000 reimbursement cost to Southern Pacific for engineering work is included in this budget.

Ms. Sanchez affirmed that the cost to reimburse Southern Pacific is included. However, SP has indicated the cost as being $327,000, and that is what has been budgeted for.

ACTION: Resolution No. 93-132 was approved by motion of Commissioner Chang, seconded by Commissioner Halsted, carried.

D. The Commission next reviewed the Status of Accounts Receivable report ending August 31, 1993 and requested staff to include additional information in future reports, specifically aging data and tenant's location, so that the Commission would be current in these matters.

Mr. Peters reported that since the August 31 date, about half the amount listed has been collected, and the debt owed by Splosna Plovia has been satisfied in full.

5. TENANT SERVICES

A. Staff presented a request for assignment of the leasehold interest of Gelardi's at Fisherman's Wharf (Lease #L-9164) to Andre-Boudin Bakeries, Inc. This property is located at the corner of Taylor and The Embarcadero, across from Fisherman's Grotto #9 and Pier 45. City Attorney's Office has reviewed and approved the form of the proposed Stock Purchase Agreement and Assignment of Lease Agreement, and executed copies have been received.

Boudin Bakeries is a San Francisco-based bakery founded in 1849, and currently operates 17 restaurants located in California. Staff has reviewed the financial background of the company and find it eminently qualified to meet the tenant's obligations under the lease. Boudin plans to convert the premises to a Boudin's Sourdough Bakery and Cafe, and plan on doing substantial improvements, investing approximately $300,000 in those improvements. It is anticipated that the new operation will gross sales several times over what we are seeing now.

ACTION: Resolution No. 93-133 was approved by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

Commissioner Halsted asked staff to report back to the Commission at a later time on the proposed pedestrian improvements in the Triangle at the Wharf.

B. Staff next requested Commission authorization to offer through competitive bidding four parcels which are located in the central waterfront to operate as surface parking lots. Staff will prepare and offer one or more three-year leases for public parking lots at SWL Lot 321, 322i, 323, 324, 330 and Pier 30/32 abd Embarcadero Median Lots E, F and G.

In addition, the successful bidder must also be available to operate various lots in other Port locations on a temporary or interim basis.

ACTION: Resolution No. 93-134 was approved by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

C. The Commission was next asked to adopt Resolution No. 93-135 which will modify the Leasing Parameters adopted by the Commission to authorize staff to execute leases on its behalf provided the terms of those leases fall within these parameters. In the interest of expediting the processing of routine leases it is proposed that these parameters be amended to allow for changes in the insurance provisions, provided such changes are approved by the City's risk manager.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner O'Neill, and carried.

D. The status of accounts receivable for the period ending August 31, 1993 was presented for review and accepted by the Commission.

Commissioner Cook asked staff to include dates when the arrears had begun so the Commission could track the timing and know how long they have been in arrears and also the tenant's location in future reports. Commissioner Cook inquired about Westcap Heritage, who are they and what are they. Mr. Janis replied that this was the former Roundhouse Building for the Belt Railway and was now an office building across from Piers 27-29, and informed the Commission that this matter will be before them in the next month in executive session.

6. PLANNING & COMMUNITY AFFAIRS

A. Mr. Joe Wyman, Port's planner, gave an informational presentation on a proposal to install street furniture, newspaper kiosks and public restrooms, on Port property. The firm of J.C.Decaux has submitted a proposal to the City to furnish and maintain these structures for the convenience of the public, and the Commission is asked to review the ramifications of this proposal. Decaux will install a total of 27 handicapped-accessible public toilets and 120 kiosks. It is proposed to locate three of the toilets at these sites: the marginal wharf at Pier 7, Pier 1/2 North Commuter Ferry Terminal, and the north end of the Promenade. The kiosks will be separate structures with newstands on one side, advertising on two sides, and public art posters on the fourth side. Six of these would be located at Mission and The Embarcadero; central crosswalk in front of the Ferry Building; Pier 1/2; Pier 3; Pier 7, and Broadway and The Embarcadero.

Mr. Wyman provided a detailed description of the street furniture, and indicated that at the first meeting in November staff will bring to the Commission an agreement for action with respect to the number of kiosks and toilets, and installation issues.

Mr. Jean-Francois Nion provided additional background information on the Decaux Company, and the provenance of the street furniture which it proposes to give to the City of San Francisco and the Port. Mr. Francois explained that through the advertising element of the kiosks the company supports the provision of the units, as well as the cost of the ongoing maintenance. Under the proposed contract with the City of San Francisco and the Port, the toilets and kiosks would be provided for free, and also the maintenance over the next twenty years. It is necessary to have the Commission's approbation to allow negotiations to begin with the City.

Commissioner Halsted averred that this would also require BCDC's permission, and Wyman informed the Commission that this agency had reviewed and endorsed the proposed locations.

Commissioner O'Neill asked about the income stream would this provide, and Mr. Nion responded that the units and the maintenance would be provided without cost, providing great amenities for Fisherman's Wharf and the Promenade.

Staff noted that if it is the Commission's guidance to look at options for revenue stream, there are abilities to do that. One of the ideas is the newspaper kiosk for which instead of going with the San Francisco Newspaper Agency, independent operators could be sought. In another aspect, such as the Pier 7 situation, it does substitute a capital item of some $66,000.

Staff will bring this matter to the Commission at the November meeting, in the form of an agreement between the Port and the Decaux Company, or the Port and the Department of Public Works, with respect to number of toilets, number of advertising kiosks, and any other issues that need to be agreed to.

In response to Commissioner O'Neill's request, Mr. Janis, Director of Tenant Services, provided an updated schedule on the status of the Pier 45 earthquake repair project. Referring the Commission to the schedule, he noted that under Phase 2 construction, Shed B is approximately 50% complete and due for completion on or before November 29. Shed A and valley to be completed on or before February 1994, and Shed C by April 18, 1994. Under Phase 3, all remaining construction work, new utilities, electric, water, sewage lines, reroofing, structural repair to 45 itself, will be in Contract 3, and staff anticipates coming to the Commission the second meeting in October to request authority to advertise that contract. It is anticipated that work will begin in March 1994, with Shed A and B being completed in August of '94, and Shed D completed in May of '95.

In response to Commissioner O'Neill's question about the fendering project, Mr. Janis affirmed that the issue of fendering construction work being done while the earthquake repair work takes place, is still being worked out.

The State Grant funding has been extended until June 30, 1995. The Federal grant expires in September 1995, with very little room for slippage. Staff has been working out the finer points of disbursement under this grant, and has recently submitted the last of the necessary documents prior to disbursement of funds.

Commissioner Chang-O'Brien inquired if we are still on track with reimbursement from FEMA, and Janis replied that currently there are a number of DSR's pending, about $4.5 million in DSR's and about $3.3 million in different stages of approval, and the grouting contract is one of them. It is anticipated that the Port will collect close to one hundred percent of the project.

The Commission accepted staff's report on this project, and moved the agenda to an executive session on a matter of real estate negotiations. The City Attorney announced that the executive session regarding Piers 30-32 Scandinavia Center is authorized under California Government Code Section 54956.8, and the Commission withdrew into closed session.

At the conclusion of that session, Mr. Abernathy stated that the Commission has directed the continuance of the actions taken at its September 8, 1993 meeting and the requirements set forth of Scandinavia Center are reinforced and endorsed. Discussions with Scandinavia Center are to be continued on that basis.

Commissioner Cook noted that there is a resolution that was continued to this meeting, and a second resolution which was adopted by this Commission, on certain things and dates that Scandinavia Center should comply with. It is important that it be very clear that the Commission wants some concrete answers to the issues financing for the project, the development, who's going to develop it. All of the issues that were brought up in Mr. Abernathy's letter of September 13, and my resolution of September 8. All of us, staff and Commission, would like to see this project go forward but it is a question of how this is going to be done. The Commission has given Mr. Norgaard certain timeframes to answer those questions.

Commissioner Cook moved to continue Resolution No. 93-124 until our next regularly scheduled meeting, seconded by Commissioner Halsted, and carried.

Commissioner O'Neill commended staff, particularly Cargo Services Jill Simpson, for the excellent job done in hosting the National Coffee Shippers meeting. It was well attended by coffee shippers from the West Coast, the Gulf Ports, and the East Coast.

President Herman informed the public that the Commission would withdraw to executive session for discussion of a personnel issue, as noted by City Attorney's statement that discussion of this matter in open session would prejudice the legal position of the Port, this matter is specifically authorized as an executive session under California Government Code Section 54957.

At the conclusion of the executive session, the City Attorney announced that the Commission had given direction regarding this matter. The meeting adjourned at 7:40 p.m.

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NOTICE OF

SPECIAL MEETING

2:00 O'CLOCK P.M.

EXECUTIVE SESSION

PORT COMMISSION MEETING - OCTOBER 13, 1993

3100 FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

The San Francisco Port Commission will meet in executive session at two o'clock p.m. this date for discussion of a personnel matter. The City Attorney's Office has advised an executive session is specifically authorized under California Government Code Section 54957. At its conclusion, the Commission will reconvene its regular meeting at 4 o'clock p.m.

NOTICE

OF

SPECIAL MEETING

THURSDAY, OCTOBER 14, 1993 - 2:00 P.M.

SAN FRANCISCO PORT COMMISSION

3100 FERRY BUILDING, SAN FRANCISCO

The San Francisco Port Commission will meet in executive session at 2 o'clock p.m. on this date for discussion of a personnel matter. The City Attorney's Office has advised an executive session is specifically authorized under California Government Code Section 54957.

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PORT OF SAN FRANCISCO

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., October 13, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

AGENDA

1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

   A. Executive Director's Report.

   B. Authorization to rescind Resolution No. 91-58 which authorized the Port's Executive Director to execute the Development Memorandum with Scandinavia Center Inc. and authorizing the Port's Executive Director to take all necessary actions to implement the Development Memorandum.
   Resolution No. 93-124
   (This matter has been continued from September 22, 1993 meeting.)

   C. An executive session for discussion of real property negotiations with Erik Norgaard regarding the proposed Scandinavia Center Project at Pier 30-32. The City Attorney's Office is of the opinion that based on existing facts and circumstances discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code section 54956.8.

   D. Request for approval of Brown & Wood/Pamela S. Jue as Bond Counsel
   Resolution No. 93-136

4. **CARGO SERVICES**

   A. Request approval of rate increase for Container Crane Usage
   Resolution No. 93-137

   B. Request approval to informally solicit and accept proposals for use of Port property for building and operating a cogeneration plant in response to an RFB issued by Pacific Gas & Electric Company.
   Resolution No. 93-139

   C. Report on Proposed Port Dredging for 1993/94.

5. **TENANT SERVICES**

   A. Authorization to Apply for, Accept and Expend Funds from Economic Development Administration, U.S. Dept. of Commerce for Improvements to ship repair facilities at Pier 70 (Drydock #1 and Cranes)
   Resolution No. 93-138

6. **PLANNING & COMMUNITY AFFAIRS**

   A. Authorization to issue a Request for Proposal(RFP) for technical design of a wetland and recreation park at Pier 98.
   Resolution No. 93-140

7. **INTERNAL SERVICES**

   A. Refunds and allowances for the period ending August 31, 1993.

8. **LEGAL**

   A. An executive session is calendared for discussion of the status of Kraal v. CCSF, Superior Court No. 943-927. The City Attorney's Office is of the opinion that based on existing facts and circumstances discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.9, subdivision (a).

9. **NEW BUSINESS**

10. **ADJOURNMENT**

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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SAN FRANCISCO PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
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Wednesday, October 13, 1993

MINUTES

President James R. Herman called the meeting to order at 4:15 p.m., with all members in attendance.

1. ROLL CALL.

PRESENT: James R. Herman, President
Anne Halsted, Vice President
Ming Chang-O'Brien, Commissioner
Francis J. O'Neill, Commissioner
Preston Cook, Commissioner

ABSENT: None

2. APPROVAL OF MINUTES

Commissioner Cook moved approval of the minutes for the meeting of September 22, 1993, and Commissioner O'Neill seconded. Commissioner Chang-O'Brien interjected with a request for the following addition to the minutes:

> "Commissioner Chang-O'Brien commended the Legislative staff for obtaining the funding, and on the work done to bring this project together, noting that it is her personal feeling that it will bring a lot more credibility to the Port and bring us to a much more competitive position, vis-a-vis, other terminals in the Bay Area once this project is initiated. She thanked Ms Sanchez for her efforts in this complex process, and in turn, Ms. Sanchez thanked Commissioner Chang-O'Brien, and said she wished to acknowledge her colleagues' efforts as well."

With that addition, the motion to approve the minutes was carried.

President Herman asked for discussion on Item 3B as the next item on the agenda. City Attorney Van Nostern indicated that discussion of this real property negotiations matter would continue in executive session at the conclusion of the public portion of the meeting, as specifically authorized under California Government Code Section 54956.8. In addition, the Commission will discuss a litigation matter known as Kraal v. CCSF, Superior Court No. 943-927,in executive session as authorized under California Government Code Section 54956.9, subdivision (a).

The Commission next considered staff's recommendation to select the firm of Brown & Wood in joint venture with Pamela S. Jue for Port Bond Counsel. This three-year contract is to provide interim legal services in municipal financing and for refinancing of the Port's outstanding revenue bonds. Ms Van Nostern corrected the amount of the contract for refinancing of outstanding revenue bonds from $70,000 to $92,000. The Commission's approval is sought to negotiate and enter into a contract with this firm.

ACTION: Approval of Resolution No. 93-136 (as corrected) was moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

4. CARGO SERVICES

A. Staff requested Commission approval to defer a report on Port dredging until the next meeting, and this request was granted. Staff next presented a request for increasing Port crane rates while continuing to maintain a competitive position. The last crane rate increase was in July 1992 and following other California ports, was a 10% increase. The Port of San Francisco has an excellent record of crane maintenance and minimal downtime giving us a competitive advantage.

It is proposed to increase the basic crane rental rate 15%, from $330 per hour and crane maintenance charges 15%, from $93.50 per hour to $108.00 per hour, effective January 1, 1994.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang-O'Brien, to approve Resolution No. 93-137, carried.

Mr. Peters informed the Commission of a proposal to informally solicit proposals for use of Port property for a cogeneration plant in response to a Request for Bids issued by PG&E.

Mr. Abernathy interposed that staff in an effort to maximize potential revenue to the Port from this somewhat unique opportunity have tried to be responsive to a bid deadline imposed by PG&E. Mr. Abernathy recommended that the Commission not receive these bids, but let PG&E take its bids on its own. City Attorney recommended the Commission accomplish this by taking an action not to approve the proposed resolution.

Commissioner Halsted agreed with the general prospective and made a motion to reject this proposal. President Herman asked for a second, and Commissioner Cook said it is important, however, to send a clear message that the Commission is interested in looking at a cogeneration at this site at the appropriate time.

Commissioner Halsted suggested appending a whereas to her motion, to state that whereas the Commission does not believe this is structured appropriately and therefore rejects this proposal in this form.

Commissioner O'Neill conceded that rejecting the proposal was appropriate, and seconded Commissioner Halsted's motion, with the addition that the Port is interested in pursuing the concept. Commissioner Halsted accepted that as an addition to her motion, and the motion carried.

Julia Viera, a resident of the area in the vicinity of the site being proposed for this facility, made a suggestion that such a plant either be located in the Hunters Pt. shipyard area, or that the existing PG&E plant be redesigned.

5. TENANT SERVICES

A. Mike Janis, Director of Tenant Services, presented the next matter before the Commission, a request for authorization to apply for, accept and expend funds from the Economic Development Administration, U.S. Department of Commerce for improvements to ship repair facilities at Pier 70, and said Veronica Sanchez, Legislative Affairs manager, would make the presentation. Mr. John McGinn, senior manager for San Francisco Drydock, was on hand should the Commission have any technical questions

Ms Sanchez noted that shipyards located at the Port of San Francisco have sustained a substantial loss of jobs due to reduction in defense work, and anticipate further losses due to base closures in Alameda Naval Air Station and Treasure Island, and redeployment of ships. In an effort to maintain an industrial base of employment and support efforts by these shipyards to convert from defense work to the commerical ship repair market, it is necessary to make substantial infrastructure improvements, totalling $4 million, at Drydock #1, and Pier 70. The Port is seeking to fund these improvements with Federal funds from the Economic Development Administration, U.S. Deparmtent of Commerce's Title IX Sudden and Severe Economic Dislocation Defense Adjustment Implementaion Program.

The grant objective is to upgrade Drydock #2, smaller drydock at Pier 70 which has substantially deteriorated since being built in 1948, and make it available to both firms so that they can compete for commercial work. Other work is the repair of eight cranes at that facility and with this infrastructure both yards would be able to use these facilities to compete for the commercial work, and in competing they would be able to replace the jobs lost by defense cutbacks and redeployment.

Staff acknowledged that should the Port be awarded a grant in the amount of $3 million, it will reprioritize its Capital Plan to fund the required twenty-five percent match with $1 million from the Port's Accumulated Surplus Fund in the Operating Fund. Currently the Capital Plan has appropriated $8.9 million for the Tunnel Project. The Commission will review the Capital Plan again in December, and at that time staff will present its recommendations on how to accommodate this project with the limited resources available. Notification on the grant is expected by late December.

In the interim, negotiations will be underway with both shipyards for joint utilization of this facility. Other leasing issues are also outstanding with these yards, such as dredging costs. The Commission is therefore requested to authorize the Executive Director to apply for, accept and expend $3 million in Title IX Funds for repairs at Drydock #1 and eight cranes at Pier 70. This action today is a formal expression of interest on the part of the Commission that this is a worthwhile project.

ACTION: Resolution No. 93-138 was moved by Commissioner Cook, seconded by Commissioner Halsted, carried.

At Ms Sanchez suggestion, Mr. McGinn from San Francisco Drydock spoke to the matter, commenting that any time you can give a dollar and get three back and you are investing in your own equipment, you have to consider it a great opportunity.

ACTION: Resolution No. 93-108 moved by Commissioner Cook, seconded by Commissioner Halsted, and carried.

6. PLANNING DEVELOPMENT & COMMUNITY AFFAIRS

Sharon Polledri, Director of Planning, introduced Item A, requesting authorization to issue a Request for Proposals for technical design of a wetland and recreation park at Pier 98.

Commissioner Cook asked to delay hearing this matter until the next meeting, and explained that he has concerns regarding the issuance of an RFP.

President Herman said it is customary to have the issue presented, and thereafter a motion to continue would be in order.

Ms Karen Glatzel, manager for Regulatory and Environmental Services, therefore presented the matter to the Commission for consideration.

Ms. Glatzel informed the Commission that under an agreement with Bay Conservation and Development Commission, the Port agreed to design a project for development of a multi-purpose wetlands enhancement and passive recreational park at Pier 98, near India Basin.

The consultant would execute a preliminary design and a final desing for a preferred alternative, and would also provide a final landfill closure plan for the regional Water Quality Control Board's approval. Staff is therefore seeking authority from the Commission to issue an RFP for a consultant or team of consultants to conduct pre-design, preliminary technical design and final technical design for establishing a multi-purpose wetlands enhancement and passive recreational park at Pier 98.

Commissioner Cook made a motion to continue the matter until the next meeting, seconded by Commissioner Halsted (who said she was withholding her opinion on the matter until that time), and this was carried.

7. INTERNAL SERVICES

Mr. Conrad, Director, presented a request for approval by the Commission on refunds and allowances in the amount of $45,650 for the period ending August 31, 1993.

ACTION: Approval was moved by Commissioner O'Neill, seconded by Commissionr Halsted, carried.

The Commission withdrew to executive session at 5:15 p.m. for fifteen minutes to discuss a matter of real property negotiations, as authorized under California Government Code Section 54956.8. In the matter of Kraal v. CCSF, Superior Court No. 943-927, as authorized under California Government Code Section 54956.9, subdivision (a), the Commission acted to continue this matter until the meeting of October 27, 1993. The Commission went back into public session at 5:30 p.m. at which time the City Attorney announced that instructions had been given her on this matter. The Commission reconvened in executive session for discussion of a personnel matter as authorized under California Government Code Section 54957, which session concluded at 6:10 p.m. The City Attorney reported no action was taken on this matter.

SAN FRANCISCO PORT COMMISSION

S P E C I A L M E E T I N G

EXECUTIVE SESSION
2 P.M. WEDNESDAY OCTOBER 13, 1993

M I N U T E S

PRESENT: President James R. Herman
Vice President Anne Halsted
Commissioner Ming Chang-Obrien
Commissioner Francis J. O'Neill
Commissioner Preston Cook

The San Francisco Port Commission convened in executive session at 2 p.m. for discussion of a personnel matter, as authorized under California Government Code Section 54957. At 4 o'clock p.m. the Commission moved to adjourn the executive session until the conclusion of the regular meeting of the Port Commission, at which time it will meet in executive session for discussion of this matter. The Commission reconvened at 5:30 p.m. and at 6:35 p.m. adjourned until 2 p.m. October 14 for continued discussion of a personnel matter in executive session.

MINUTES OF THE SPECIAL MEETING
THURSDAY, OCTOBER 14, 1993 EXECUTIVE SESSION

The San Francisco Port Commission reconvened in executive session to discuss a personnel matter , as authorized under California Government Code Section 54957 at 2 p.m. and the City Attorney announced at its conclusion that no action was taken. The Commission adjourned at 3:30 p.m. and agreed to meet in special session on October 18, 1993 at 9:30 a.m.

MINUTES OF SPECIAL MEETING
MONDAY, OCTOBER 18, 1993 EXECUTIVE SESSION

The San Francisco Port Commission convened in executive session at 10 a.m., to discuss a personnel matter, as authorized under California Government Code Section 54957, and the City Attorney announced at its conclusion that no action was taken.

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NOTICE

OF

SPECIAL MEETING

THURSDAY, OCTOBER 14, 1993 - 2:00 P.M.

SAN FRANCISCO PORT COMMISSION

3100 FERRY BUILDING, SAN FRANCISCO

The San Francisco Port Commission will meet in executive session at 2 o'clock p.m. on this date for discussion of a personnel matter. The City Attorney's Office has advised an executive session is specifically authorized under California Government Code Section 54957.

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PORT OF SAN FRANCISCO

NOTICE

OF

SPECIAL MEETING

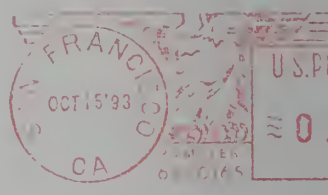
9:30 A.M.

EXECUTIVE SESSION

PORT COMMISSION MEETING - OCTOBER 18, 1993

3100 FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

The San Francisco Port Commission will meet in executive session at nine thirty a.m. this date for discussion of a personnel matter. The City Attorney's Office has advised an executive session is specifically authorized under California Government Code Section 54957.



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SAN FRANCISCO
PORT COMMISSION

PORT OF SAN FRANCISCO

SPECIAL MEETING

SATURDAY, OCTOBER 23, 1993
10 A.M. - 12 NOON
BOARD OF SUPERVISORS CHAMBERS
CITY HALL SAN FRANCISCO, CALIFORNIA

AGENDA

1. REVIEW OF CONFLICT OF INTEREST LAWS

2. REVIEW OF SAN FRANCISCO SUNSHINE ORDINANCE AND RELATED LAWS

This public hearing is a seminar for members of all City boards and commissions to provide a comprehensive review of all state and City conflict of interest laws and of the San Francisco Sunshine Ordinance.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., October 27, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

AGENDA

1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

   A. Executive Director's Report.

   B. Authorization to rescind Resolution No. 91-58 which authorized the Port's Executive Director to execute the Development Memorandum with Scandinavia Center Inc. and authorizing the Port's Executive Director to take all necessary actions to implement the Development Memorandum.
   Resolution No. 93-124
   (This matter has been continued from September 22, 1993 meeting.)

   C. An executive session for discussion of real property negotiations with Erik Norgaard regarding the proposed Scandinavia Center Project at Pier 30-32. The City Attorney's Office is of the opinion that based on existing facts and circumstances discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code section 54956.8.

4. CARGO SERVICES

A. Accounts Receivable Report for period ending September 1993.

5. TENANT SERVICES

A. Authorization to Advertise for Bids on Contract 2593, "Pier 45, Earthquake Repair Project, Pier and Buildings Repair".
Resolution No. 93-141

B. Approval of monthly parking stalls rate proposal.
Resolution No. 93-142

C. Presentation of monthly leasing report for September.

D. Accounts Receivable Report for period ending September 1993.

6. PLANNING DEVELOPMENT & COMMUNITY AFFAIRS

A. Authorization to issue a Request for Proposal(RFP) for technical design of a wetland and recreation park at Pier 98.(This matter was continued from October 13, 1993)
Resolution No. 93-143

B. Informational Presentation on "Options for Change" Report.

INTERNAL SERVICES

8. LEGAL

A. An executive session is calendared for discussion of the status of Kraal v. CCSF, Superior Court No. 943-927. The City Attorney's Office is of the opinion that based on existing facts and circumstances discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.9, subdivision (a).

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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SAN FRANCISCO PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA
October 27, 1993

M I N U T E S

The San Francisco Port Commission convened in regular session at four o'clock p.m. Vice President Halsted chaired the meeting in the absence of President Herman, and acknowledged Commissioners O'Neill and Cook as present, and Commissioner Chang-O'Brien absent.

The Commission approved the minutes of the meeting of October 13, 1993 by motion of Commissioner Cook, seconded by Commission O'Neill, carried.

3. **EXECUTIVE**

Mr. Abernathy informed the Commission of Crystal Cruise Lines plans to homeport its newly christened ship "Crystal Symphony" in San Francisco which means that during the summer of 1995 Crystal Cruise plans eight new calls out of San Francisco for 12 day cruises to Alaska. Projected direct revenue to the Port from these new calls is $145,768, and together with spinoff revenues to tourism and other related businesses, the total economic impact to the City from these eight new calls is projected to be over four million.

Mr. Abernathy next acknowledged the loss of China Ocean Shipping Co. to the Port of Oakland, noting that COSCO's decision to expand and move their service to Oakland was regrettable and will mean a loss of $1.7 million in revenues to the Port. COSCO's departure, while creating a marine terminal opportunity for San Francisco which will be aggressively marketed, compels the Port to look again at its capital priorities.

Mr. Abernathy stressed that this loss of revenue to the Port, makes it imperative that we reorder some of our projects with an even greater emphasis on those which will generate the greatest revenue. It is essential to the Port's survival to improve its operations and look for new lines of business and new revenue opportunities.

The Commission at the request of the City Attorney voted to continue Items B and C regarding the Scandinavia Center Project until the next meeting in November.

4. **CARGO SERVICES**

The Commission accepted a report on accounts receivable for the period ending September 1993, commenting favorably on the new format. Staff indicated that payment has been received since publication of this report from Central American container line ELMA, and South Pacific Inter-Line.

5. **TENANT SERVICES**

A. The Commission considered a request to advertise for bids on Contract 2593, Pier 45 Earthquake Repair Project, Phase III. The work under this contract will complete all necessary earthquake and code work to restore pre-existing uses on Pier 45. It is anticipated that work on Shed A parking will be completed in October 1994; Shed B fish handling August 1994; Shed C general uses May 1995; and Shed D fish handling/gear storage May 1995.

Bid documents are currently being prepared by staff and the Port's consultant, Moffatt & Nichol, AGS Inc., and Kwan-Henmi Architects, and with Commission approval, the proposed date of advertisement will be December 1, 1993 with bid opening scheduled for January 14, 1994. The time for completion of this work is 420 calendar days.

ACTION: It was moved by Commissioner Cook, seconded by Commissioner O'Neill, carried.

B. The Commission next reviewed a proposal for a general rate adjustment on the Port's monthly parking stalls which resulted from a survey of 75 parking lots in the Central Waterfront area. The rates recommended for each lot are commensurate with the lot's location and amenities. The adjustment will increase the Port's monthly revenues by approximately 4%, or $30,000/year.

ACTION: It was moved by Commissioner Cook, seconded by Commissioner O'Neill, carried.

C. Presentation of the monthly leasing report for September was deferred until the next meeting in November, in order to include some additional changes as well as report on the month of October.

D. Staff presented the accounts receivable report for Tenant Services for the period ending September 30,1993, and indicated a payment of $1,000 was received from HSF Enterprises. Staff will continue to work toward resolving the balance.

6. **PLANNING DEVELOPMENT & COMMUNITY AFFAIRS**

A. The Commission reviewed a request to authorize issuance of a request for proposals for technical design of a wetland and recreation park at Pier 98. Staff reiterated the issues involved in this matter, by which BCDC and the Port have agreed to the development of a multi-purpose wetlands enhancement and passive

recreational park in an area subject to Class III landfill closure requirements at Pier 98.

Under this agreement, the Port agrees to design the project and seek public funding for its construction. Due to the complexity of the technical issues, staff recommends the hiring of a consultant or team of consultants to undertake this task as it exceeds the capability of the staff internally, and requests the Commission to authorize the issuance of this RFP. A separate RFP will be issued for the environmental review work required for the project, which staff anticipates will commence within the next two months, and will be subject to Port Commission approval.

The Port Commission and BCDC Commission will review the three or four technical designs from this team of consultants and select the preferred alternative. Under the agreement, both commissions must be in agreement on this alternative.

Commissioner O'Neill questioned why staff should not take on this task, instead of going to an outside consultant. He also expressed a strong interest in being more involved himself in the preliminary design stages as well as in the final selection process. Staff assured the Commission that their input and active involvement in the process was very welcome. Staff will be handling the permitting responsibilities as well as managing the public participation. Current staff responsibilities are concentrated in areas which will generate revenue to aid in facilities maintenance and other mandatory programs.

Commissioner Cook voiced strong reservations concerning the need and wisdom of the project, even after an informative tour by staff, and a meeting with BCDC. Of primary concern to Commissioner Cook is the strain of funding this project on Port finances. Hundreds of thousands of dollars will be spent on the planning and environmental process which will not produce a nickel in revenue to the Port. Cook opined the Port is in a critical situation, trying to move forward, to spend and allocate money to attract tenants and produce new jobs and instead the Port is forced to spend its money on a spit into the Bay.

However Commissioner Cook said he recognized the futility of his arguments, amd therefore made a motion to approve issuing the Request for Proposals, and this was seconded by Commissioner O'Neill, and carried.

As the next order of business, staff presented the Options For Change Report, a culmination of information gathered by the Waterfront Plan Advisory Board, focusing on non water-dependent uses to be considered for Port property. This is a document to identify a range of land uses based on staff analysis as possible uses that would be compatible on the given sites for which they are identified. With public participation and comment, guidelines and a framework will be identified so that the Port can pursue its land use decisions over the long run. It is anticipated that a draft

plan will be developed incorporating water-dependent and non water-dependent activities into one policy document for release in early 1994.

Commissioner O'Neill expressed concern about the use of the term "non-conforming" in the report and urged that the planning document be revised to give the Port "maximum capability" for "highest and best use" for development of its waterfront, as well as providing jobs and the economic well-being of the City.

Commissioner Cook thanked staff for the tremendous effort that went into the report, but expressed his chagrin that it did not emphasize the realities of where the Port is, in terms of its recent economic setbacks. The document, said Cook, should address what it is the Port needs to do, taking a real, hard look financially at where it is, in terms of subsidizing its maritime interests with commercial revenues, and how best to use its facilities. Further the report should put a greater emphasis on non-maritime development opportunities in order to create better job opportunities and for the economic strength of the City.

Commissioner Halsted agreed that the Commission needs to work towards a consensus of how to manage the Port within the constraints that exist or work to change the constraints, but doing so by working within the community, as well as the Port. Commissioner Halsted complimented staff for a" fabulous compilation of information" for the community to review the uses that exist, and what could be in the future.

7. **NEW BUSINESS**

A delegation of tenants from Pier 9 represented by Sal Garcia and Joan Wilson, addressed the Commission regarding lease negotiations involving rent increases which they feel are unreasonable and not competitive with current rental rates.

Commissioner Cook noted that this Commission has entrusted its staff with the ability within certain guidelines to negotiate leases with our tenants, and said he felt the Commission should stand by staff within those guidelines and that negotiations should continue between tenants and staff. As long as the rental rates are within the guidelines therein established, Commissioner Cook said he believed it to be a fair market rent.

City Attorney asked that the record reflect the Commission's request to postpone the executive session on Kraal v. CCSF until the next regular meeting.

Commission adjourned at 5:10 p.m. by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

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10/93

PORT OF SAN FRANCISCO

SAN FRANCISCO PORT COMMISSION

SPECIAL MEETING WEDNESDAY,
3:00 P.M., NOVEMBER 10, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

A G E N D A

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

3. **EXECUTIVE**

   A. Executive Director's Report.

   B. Authorization to rescind Resolution No. 91-58 which authorized the Port's Executive Director to execute the Development Memorandum with Scandinavia Center Inc. and authorizing the Port's Executive Director to take all necessary actions to implement the Development Memorandum.
   Resolution No. 93-124
   (This matter has been continued from October 27, 1993 meeting.)

   C. An executive session for discussion of real property negotiations with Erik Norgaard regarding the proposed Scandinavia Center Project at Pier 30-32. The City Attorney's Office has advised an executive session is specifically authorized under California Government Code section 54956.8.

4. **CARGO SERVICES**

   A. Presentation of Dredging Report

5. **TENANT SERVICES**

   A. Leasing Report for September/October 1993.

6. **PLANNING DEVELOPMENT & COMMUNITY AFFAIRS**

7. **INTERNAL SERVICES**

8. **LEGAL**

   A. An executive session is calendared for discussion of the status of Kraal v. CCSF, Superior Court No. 943-927. The City Attorney's Office is of the opinion that based on existing facts and circumstances discussion of this matter in open session would prejudice the legal position of the Port. An executive session is specifically authorized under California Government Code Section 54956.9, subdivision (a).

9. **NEW BUSINESS**

10. **ADJOURNMENT**

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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SAN FRANCISCO PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA
November 10, 1993

M I N U T E S

President James Herman convened the special session of the San Francisco Port Commission at three o'clock p.m. with all Commissioners in attendance.

The Commission approved the minutes of the meeting of October 27, 1993 by motion of Commissioner Cook, seconded by Commission Halsted, carried.

3. **EXECUTIVE**

Mr. Abernathy commented on the recent 60-day layoff notice by San Francisco Drydock to its workers, noting that staff has been working with both its ship repair lessees, SECO and San Francisco Drydock in an effort to find areas of joint cooperation between these two companies. The industry in the Bay Area is faced with increasingly difficult economic hardships particularly in light of recent downsizing by the military. Meetings are scheduled with the Mayor and ship repair representatives early next week to discuss these matters to try to find a way to keep these jobs in the City, and prevent further loss of revenue to the Port.

The City Attorney announced that the Commission would meet in executive session at the conclusion of the public session for discussion of real property negotiations regarding the proposed Scandinavia Center Project, and for discussion of the status of Kraal v. CCSF, Superior Court No. 943-927.

4. **CARGO SERVICES**

Staff presented a report on dredging including an analysis of the Port's dredging history for the past eight years, showing a decline since the 1980s when typically the Port dredged 200 to 400 thousand yards per year. This year the Port will dredge a total of 159 thousand yards. A five year maintenance dredging plan has been developed for use in obtaining a multi-year permit instead of an annual permit. The plan anticipates potential needs which would allow maximum regulatory flexibility in order to accommodate future business opportunities. Annual review of the plan, within the budget process, would look at actual needs reviewing both demand and cost of dredging. A table of Port facilities showing breakbulk

use, utilization and revenue prompted questions regarding marketing activities of vacant facilities.

Discussion followed regarding the Port's participation in regional efforts such as the Bay Dredging Action Coalition, in which the Port has been very active, as well as the Long Term Management Strategy, a multi-faceted, interdisciplinary study relating to a plan for dredging and material disposal.

Staff next discussed different disposal sites, such as the Alcatraz Site, and the upland location facility in Sonoma County, and the particular considerations of both sites.

President Herman accepted staff's report but warned that the Port should maintain its berths because technological changes in shipping could augur better times for the Port, citing the example of Hong Kong's harbor which employs 10 stories-high container storage units to compensate for a lack of acreage. He lauded San Francisco's pre-eminence as a great maritime city, and expressed disdain at the suggestion of re-evaluating the future of the Port as a maritime entity. Herman decried any decision not to dredge at Pier 48, indicating this would be "a de facto decommissioning of Pier 48".

" Pier 48", said Herman,"is a good example of piers where aggressive representation needs to be made in terms of getting new cargo, getting new ships, doing something with it directly related to maritime. Herman cautioned that the Commission not make decisions that pre-empt us from opportunities that cannot now be seen. The Commission needs to take the time to make the evaluation to make the right decisions.

Commissioner Cook asked about the five-year maintenance dredging plan saying that he and Commissioner Herman seemed to agree that the Commission needs to understand this issue a little more and have more input into policy. Staff explained that the five-year maintenance dredging projection was a means of re-establishing a maximum limit permit with the Corps of Engineers over the yearly permit which was the result of the Chinook salmon issues being raised.

Commissioner Halsted expressed her opinion that the Commission shares Commissioner Herman's commitment to maintaining the maritime business and looks to maritime staff for development of a marketing plan that can really make a difference. The Land Use Plan Phase I commitment to water-dependent activities on the bulk of our land should be the basis for looking at each facility, moving forward with plans that make sense, and recognizing that technology changes. "We are not abandoning shipping in San Francisco, our emphasis may change, but from my viewpoint," said Commissioner Halsted,"we are not abandoning shipping.

5. **TENANT SERVICES**

The Commission was presented with a newly formatted report on new and terminated leases for the months of September and October. Commissioner O'Neill congratulated staff on the new format and the caliber of new leases, and said he was particularly glad to see the San Francisco Irish Film Festival group as a tenant.

At 5:40 p.m. the Commission withdrew to executive session which concluded at 6:30 p.m. at which time they reconvened in public session. The City Attorney stated that the Commission had directed Mr. Abernathy to continue to negotiate with Scandinavia Center on this matter and further requested Mr. Norgaard be present at the next Commission meeting on November 22 to present the new proposal to the Commission, with a detailed analysis of the differences between Scandinavia's initial proposal and the one now being proposed.

In the matter of Kraal v. CCSF, City Attorney announced that no action was taken.

The meeting adjourned at 6:35 p.m. by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

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PORT OF SAN FRANCISCO

NOTICE OF

CANCELLATION

REGULAR MEETING - NOVEMBER 17, 1993

SAN FRANCISCO PORT COMMISSION

3100 FERRY BUILDING, SAN FRANCISCO, CALIFORNIA

SAN FRANCISCO PORT COMMISSION
FERRY BUILDING, SUITE 3100
THE EMBARCADERO, SAN FRANCISCO

American sign language interpreters will be available upon request. Please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

A sound enhancement system will be available upon request. Please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

Minutes of the hearing are available in alternative formats. Please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

If you require the use of a reader during the meeting, please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

To allow individuals with environmental illness or multiple chemical sensitivity to attend the meeting, individuals are requested to refrain from wearing perfume or other scented products.

The closest accessible BART station is Embarcadero station located at Market and Spear Streets.

The closest accessible MUNI Metro station is Embarcadero station located at Market and Spear Streets.

Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71.

For more information about MUNI accessible services call 923-6142.

There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

2/93

PORT OF SAN FRANCISCO

SAN FRANCISCO PORT COMMISSION

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SPECIAL MEETING MONDAY
2:00 P.M. NOVEMBER 22, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

A G E N D A

1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

   A. Five-Year Budget Estimates and Targets
   Resolution No. 93-145

   B. Capital Plan and Supplemental Appropriation to Fund Capital Projects.
   Resolution No. 93-147

   C. Authorization to rescind Resolution No. 91-58 which authorized the Port's Executive Director to execute the Development Memorandum with Scandinavia Center Inc. and authorizing the Port's Executive Director to take all necessary actions to implement the Development Memorandum.
   Resolution No. 93-124
   (This matter has been continued from November 10, 1993 meeting.)

   D. An executive session for discussion of real property negotiations with Erik Norgaard regarding the proposed Scandinavia Center Project at Pier 30-32. The City Attorney's Office has advised an executive session is specifically authorized under California Government Code section 54956.8.

4. CARGO SERVICES

A. Accounts Receivable Report for month of October 1993.

5. TENANT SERVICES

A. Approval of a 10-month lease of World Trade Center Suites 316, 317 to Coastal Resources Center for office use.
Resolution No. 93-146

B. Memorandum of Understanding between San Francisco Municipal Railway and Port for use of Pier 38
Resolution No. 93-149

C. Approval of Parking Bid Package
Resolution No. 93-150

D. Consideration of Lease Proposal by Delancey Street Foundation for use of Pier 36

E. Sales & Rent Report
F. Accounts Receivable for month of October 1993
F. Approval of Lease with South End Rowing Club
Resolution No. 93-148

6. PLANNING DEVELOPMENT & COMMUNITY AFFAIRS

7. INTERNAL SERVICES

8. LEGAL

An executive session is calendared to discuss real property negotiations with Metropolitan California Stevedore Company at Pier 80 and Stevedoring Services of America at Pier 94-96, and is specifically authorized under California Government Code Section 54956.8.

9. NEW BUSINESS

10. ADJOURNMENT

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA
November 22, 1993

M I N U T E S

President James Herman called the meeting to order at two o'clock with all Commissioners in attendance.

The minutes of the November 10, 1993 meeting were approved by motion of Commissioner O'Neill, seconded by Commission Halsted, carried.

3. **EXECUTIVE**

Mr. Abernathy asked that discussion of the first two items, 5-year budget estimates and the capital plan be deferred until later in the meeting. He then informed the Commission that staff is continuing to work with SECO and S.F. Drydock, the ship repair companies, in an effort to work out some resolution to their economic problems, but acknowledged that a diminishing workload in the area is one of the difficulties which may prove insurmountable.

Mr. Abernathy informed the Commission of two planning workshops scheduled for November 30, and December 1 which will bring together Bay area urban designers, and planners on a pro bono basis to give us the benefit of their expertise and help to identify the public assets of the waterfront needing protection, the view corridors, the public aspect of this waterfront that any waterfront plan should protect. This will be followed by another series of workshops on December 6 and 7, at which designers and developers will present an entrepreneurial aspect of waterfront development to look at what can be done with some of the opportunity sites. Findings from both panel discussions will then be examined to hopefully achieve a blending of both viewpoints. This is a process affording us the best advice available at the least price, which will give input to the Waterfront Planning Advisory Board and to the Commission.

Vice President Halsted announced that the Board of Directors of Friends of the Port had elected new officers, and Fergus Moran of Metropolitan California Stevedore Company is president, succeeding Beveryly Mills, and Dennis Connehan, of Embarcadero Center, vice president. Commissioner Halsted asked that the Commission commend Beverly Mills for her many achievements during during her term as president. The Commission, in recognition, presented Ms Mills with a plaque for her outstanding service in promoting public education and pride in San Francisco's waterfront.

President Herman asked that the Commission take up the request by Delancey Street Foundation as its first order of business. Delancey Street is asking for a five year lease of Pier 36 for warehouse use at a reduced rental of $0.04 per square foot. This lower offer is predicated on the poor condition of the shed roof which Delancey Street feels the Port must replace before the facility can be rentable to anyone. Currently, Delancey is on a month-to-month basis paying $0.05 per square foot for a total of 68,046 square feet, and is anxious to continue in this space, while waiting for the Port to make the repairs to the roof.

After due consideration and discussion, staff was directed to continue to negotiate with Delancey Street, which will remain on a month-to-month basis at the current rental. In the meantime, the Commission agreed, given the Port's limited resources, to assist in efforts to resolve the roofing issues. This matter will come back to the Commission at the December 15, 1993 meeting.

At Commissioner Cook's recommendation, the next matter for discussion was a lease with the South End Rowing Club. Staff presented a request for a 10-year lease for a parcel including a pier, water and beach properties, for a base rent of $1,650 per year. The South End Rowing Club is a non-profit club providing facilities for aquatic activities. Although the Club building and most of the facilities are located on Recreation and Park Commission property, a portion is located on Port property. The Club is undertaking some repairs to the pier, which requires a permit from BCDC, and BCDC is asking the Port to sign as co-permittee on this facility.

The Deputy City Attorney for the Recreation and Park Commission has requested that the Port Commission delay execution of approval of this lease, in order to give them sufficient time to review a related but separate issue regarding the lease between Recreation and Park and the Club.

Discussion followed regarding this request for delay, and Commissioner Cook asked for information regarding the Club's public access policy. Bob Isaacson, representing the South End Rowing Club, provided the Commission with a written statement regarding this issue. However, he opined that the Club does not accommodate anyone coming in off the street, due to the exposure to liability, but it does have a strict open membership policy as part of its by-laws, and does accommodate and encourage people with special needs. Mr. Isaacson agreed to provide the Commission with figures to show the actual number of persons paying the $6 daily use fee.

In deference to Commissioner Cook's request, President Herman indicated that this matter would be postponed until the next meeting in December. The Commission also directed staff to begin working out lease arrangements with the Dolphin Club as well for its use of Port property.

4. **CARGO SERVICES**

The Commission received an informational report on the status of accounts receivable for the period ending October 31, 1993.

5. **TENANT SERVICES**

The Commission reviewed and approved a 10-month lease with Coastal Resources Center for office use located in the World Trade Center Suites 316, and 317.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Cook, carried.

The Commission next reviewed and approved a Memorandum of Understanding with Municipal Railway to use space on Pier 38 for six months for storage of buses. This lease will commence on December 7, 1993 and Muni will pay $84,000 in advance for use of this space.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

The Commission next reviewed a request to authorize staff to prepare and re-offer bids on two parcels, Parcel 2 and 4, through competitive bid. These leases are for public parking lots at Seawall Lots 321, 323, 324.

ACTION: Approval moved by Commissioner Chang, seconded by Commissioner Cook, carried.

The sales and rent report which has been newly formatted was presented for the month of August 1993 for information purposes only, with a more detailed presentation scheduled for December. A report on Fisherman's Wharf sale trends was also prepared and presented for Commission's information, and staff will come back in December for a more detailed discussion. The accounts receivable report for October was next presented, and staff informed the Commission that one tenant Flying Dutchman has been served with a notice of eviction.

City Attorney announced that the Commission will withdraw to executive session for the purpose of discussing real property negotiations with Metropolitan Stevedore Comapny at Pier 80 and Stevedoring Services of America at Pier 94-96, as authorized under California Government Code Section 54956.8.

At the close of the executive session, the Commission reconvened and it was announced that no action was taken. The meeting concluded at 6:35 p.m.

The meeting adjourned at 6:35 p.m. by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

As the next order of business, Mr. Lincoln Chu, Cal Trans represenative, presented the Port with a 1993 award for excellence in transportation facilities. This was awarded for the Pier 1/2 Ferry Terminal for "sensitivity in design to a water-close situation" and was accepted by Joe Wyman, of the Port's planning staff, whose tremendous efforts together with Paul Osmundson, helped win this award for the Port.

The Commission returned to the agenda, and Mr. Erik Norgaard presented the Commission with an update on the proposed Scandinavia Center project. Mr. Norgaard reported on the status of the project, and in particular the alternative proposal now envisioned. The restructuring of the project comes in an effort to address the difficulties encountered by Scandinavia Center in obtaining financial backing for the project. Mr. Norgaard informed the Commission that a decision was also pending by the Danish Government to provide a grant for completion of the environmental process. At the conclusion of his presentation, the Commission went into executive session at 3:45 p.m. for discussion of this issue.

Returning to regular session at 5:00 p.m., President Herman stated that the Commission had voted unanimously to "terminate all relations, negotiations and discussions with Scandinavia Center, Inc.". This action will be embraced in Amended Resolution No. 93-124 which rescinds Resolution No. 91-58 in its entirety.

As the next order of business, Mr. Abernathy asked Ben Kutnick to present a report on the Port's operating budget estimates based on a longer-term cycle, which Mr. Abernathy had earlier recommended as a way to give the Commission a better opportunity to see the future ramifications of actions taken today. This report will show what we can do if we set some budget targets long-term, and what kind of revenue can be received if we achieve those, and if we can achieve them, how those monies can be spent to take care of dredging and other issues that need to be done.

Mr. Kutnick reiterated Mr. Abernathy's statement that the Port needs to increase revenues and reduce controllable expenses in order to improve its competitive position, and indicated that staff has developed a five-year budget plan to work toward achieving that goal. This matter is for discussion only today and will be brought back to the Commission at a future meeting.

The Commission was next presented with a quarterly review of the capital plan and supplemental appropriation for funding, and discussion followed regarding the $1 million assessment for construction of the storm drain and sewer system.

Commissioner O'Neill's recalled this somewhat differently and asked staff to clarify the matter with a written report before the next meeting. The Commission deferred action on this matter pending clarification of this issue.

PLANNING DEVELOPMENT & COMMUNITY AFFAIRS

A. The Commission reviewed a request to authorize issuance of a request for proposals for technical design of a wetland and recreation park at Pier 98. Staff reiterated the issues involved in this matter, by which BCDC and the Port have agreed to the development of a multi-purpose wetlands enhancement and passive recreational park in an area subject to Class III landfill closure requirements at Pier 98.

Under this agreement, the Port agrees to design the project and seek public funding for its construction. Due to the complexity of the technical issues, staff recommends the hiring of a consultant or team of consultants to undertake this task as it exceeds the capability of the staff internally, and requests the Commission to authorize the issuance of this RFP. A separate RFP will be issued for the environmental review work required for the project, which staff anticipates will commence within the next two months, and will be subject to Port Commission approval.

The Port Commission and BCDC Commission will review the three or four technical designs from this team of consultants and select the preferred alternative. Under the agreement, both commissions must be in agreement on this alternative.

Commissioner O'Neill questioned why staff should not take on this task, instead of going to an outside consultant. He also expressed a strong interest in being more involved himself in the preliminary design stages as well as in the final selection process. Staff assured the Commission that their input and active involvement in the process was very welcome. Staff will be handling the permitting responsibilities as well as managing the public participation. Current staff responsibilities are concentrated in areas which will generate revenue to aid in facilities maintenance and other mandatory programs.

Commissioner Cook voiced strong reservations concerning the need and wisdom of the project, even after an informative tour by staff, and a meeting with BCDC. Of primary concern to Commissioner Cook is the strain of funding this project on Port finances. Hundreds of thousands of dollars will be spent on the planning and environmental process which will not produce a nickel in revenue to the Port. Cook opined the Port is in a critical situation, trying to move forward, to spend and allocate money to attract tenants and produce new jobs and instead the Port is forced to spend its money on a spit into the Bay.

However Commissioner Cook said he recognized the futility of his arguments, amd therefore made a motion to approve issuing the

Cook said he believed it to be a fair market rent.

City Attorney asked that the record reflect the Commission's request to postpone the executive session on Kraal v. CCSF until the next regular meeting.

Commission adjourned at 5:10 p.m. by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

SAN FRANCISCO PORT COMMISSION

December 8, 1993

The agenda for this meeting is missing

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SAN FRANCISCO PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA
December 8, 1993

M I N U T E S

The Port Commission meeting was convened at 4 p.m. by President James Herman with all Commissioners in attendance.

Approval of the November 22, 1993 minutes was postponed until the next meeting. President Herman indicated that his schedule did not allow him to stay the entire length of the meeting, and asked that the Commission go into executive session as the first order of business, after which Vice President Halsted would chair the remainder of the meeting.

Deputy City Attorney Van Nostern announced that the Commission would go into executive session for discussion of a personnel matter, as specifically authorized under California Government Code Section 54957. At the conclusion of the executive session, Vice President Halsted announced that the Mayor has confirmed the nomination of Dennis Bouey as the next executive director and Mr. Bouey will join the Port on December 27, 1993.

At its conclusion, the Commission authorized the City Attorney to proceed in this matter based on their instructions.

3. **EXECUTIVE**

Mr. Kutnick presented a request to extend the contract with Edgewater Consultants for an additional six months at a rate of $77 per hour for a maximum of 500 hours. Further, Mr. Kutnick requested the Commission to delegate authority to the executive director to extend for an additional six months.

Commissioner Cook made a motion to adopt the resolution with the deletion of the request to authorize the executive director to modify the contract for the additional six months through December 31, 1994, and Commissioner O'Neill seconded that motion.

ACTION: Resolution No. 93-153 was approved, pending deletion to authorize modification for an additional six month period, seconded, and carried.

4. CARGO SERVICES

5. TENANT SERVICES

A recommended policy for payment of brokers' commissions was presented to the Commission for its review and approval. Such approval would permit the Port to more effectively compete in the rental market, by allowing payment to licensed brokers for services in procuring tenants for Port properties. This is not a proposal to pay a broker for an exclusive listing; a commission would be paid to any broker who brings a new tenant to the Port.

Commissioner O'Neill commended staff's work on this proposal, but asked to clarify the reference to "gross rental" in paragraph 3, calculation of commissions. O'Neill asked that the word "base rent" be substituted in Resolution No. 93-151 to make it clear that it does not include "common area maintenance" or any other charge. Ms. Schimke acknowledged that base or net rent was the correct term that should be used, and this change will be made.

Commissioner Chang inquired if there will be something in place to track the success of this program, and if there are targets set to show how much additional revenues the Port expects to get from these broker referrals. Staff indicated that this is part of the program.

ACTION: Motion to approve Resolution No. 93-151, as modified, was made by Commissioner Cook, seconded by Commissioner O'Neill, and carried.

The Commission next reviewed the assignment of Olive Oil restaurant lease to Ricci Cornell and Clarice Lacau. Originally this was leased to Elizabeth Streicher, who wishes to assign her interest to these two individuals. Staff has evaluated the assignment and finds it to be in compliance with all the obligations of the lease. Ms Streicher will receive $265,000 from the sale of her business, of which $35,000 is attributable to the value of the leasehold, and pursuant to the agreement, the Port will receive those monies upon execution of the assignment.

ACTION: It was moved by Commissioner O'Neill, seconded by Commissioner Chang, and carried.

The Commission next reviewed a proposed modification to the pedicab license agreements to authorize the executive director on behalf of the Port to execute license agreements with permittees which require that the permittees to carry liability insurance, naming the Port as additional insured, with a combined single limit of $500,000. Discussion followed and the Commission took the following action.

ACTION: Moved by Commissioner Cook, seconded by Commissioner Chang, carried.

The next matter considered by the Commission was approval of the Harbor Code Amendment in order to clarify and strengthen control of curb space on Port property. This is a result of the proliferation of pedicabs operating on routes within Port property. These amendments will also provide the basis of a comprehensive program regarding use of curb space, particularly in the Fisherman's Wharf area.

The Commission moved its approval of Resolution No. 93-155 by motion of Commissioner O'Neill, seconded by Commissioner Cook, and carried.

PLANNING DEVELOPMENT & COMMUNITY AFFAIRS

Mr. Abernathy recalled to mind the planning charrettes on the Ferry Building sponsored by the Port earlier in the year which brought together professionals from the planning and architectural fields. The Port benefitted so greatly from the excellent professional advice garnered there, that it was decided to try the same approach on the Waterfront Plan. Initially a panel of experts gathered to look at the public aspect of the waterfront, public resources to be protected, enhanced and developed. Following that, a second group was assembled of architects, urban planners, developers, who reviewed opportunity sites together with the guidelines for development.

Sharon Polledri, introduced the panel members who presented their findings to the Commission: Jack Sidener, Chief Planner, Bectel, Teresa Rae, Vice President, PBR Consultants, Karen Alschuler, Principal, Simon, Martin Vegue, Winklestein Morris, Bruce Race, Chief Planner, Elbasani Logan, Anne Cervantes, AIA, William Lee, Senior Vice President, Economic Research Associates.

In conlusion, Ms Polledri announced that following further evaluation of these findings, the Commission would be presented with an action plan.

Vice President Halsted expressed the appreciation of the Commission for a great effort on the part of staff and the panelists.

City Attorney stated an executive session is calendared for discussion of Kraal v. CCSF, Superior Court No. 943927, as specifically authorized under California Government Code Section 54946, subdivision (a). At its conclusion, it was announced no action had been taken.

The meeting of the Port Commission concluded at 6:15 p.m.

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PORT OF SAN FRANCISCO

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING ~~WEDNESDAY~~
4:00 P.M. DECEMBER 15, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

AGENDA

1. ROLL CALL

2. APPROVAL OF MINUTES

3. EXECUTIVE

   A. Executive Director's Report
   B. Five Year Budget Estimates and Targets
      Resolution No. 93-145 (cont'd from Nov. 22, 1993 meeting)
   C. Capital Plan and Supplemental Appropriation to Fund Capital Projects
      Resolution No. 93-147(cont'd from Nov. 22, 1993 meeting)

4. CARGO SERVICES

   A. Approval of a ten year lease with Osgood Warehouse Company, dba San Francisco Port Cargo Sourcing(Exchange)Co. for Pier 48
      Resolution No. 93-159
   B. Amendment of License with Western Rim to reduce the premises
      Resolution No. 93-160
   C. Three year Marine Terminal Agreement with Blue Star Line
      Resolution No. 93-155
   D. Accounts Receivable report for November 30, 1993
   E. Five Year Marine Terminal Agreement with Nippon Yusen Kaisha (NYK) for Latin America/US West Coast Service
      Resolution No. 93-161

CARGO SERVICES (continued)

F. An executive session is calendared for discussion of real property negotiations with Metropolitan California Stevedore Company at Pier 80 and Stevedoring Services of America at Pier 94-96, and is specifically authorized under California Government Code Section 54956.8.

5. **TENANT SERVICES**

A. Approval of Lease with South End Rowing Club
Resolution No. 93-148 (cont'd from November 22, 1993 meeting)
B. Sales and Rent Report
C. Contract 2592 REBID - Drydock and overhaul Fireboat "Phoenix"
Resolution No. 93-158
D. Leasing Report for November
E. Approval of Parking Leases for
1) All Right California, Inc., dba All Right San Francisco, and 2) Park Express.
Resolution No. 93-162
Resolution No. 93-163

6. **PLANNING DEVELOPMENT & COMMUNITY AFFAIRS**

A. Approval to issue a Request for Proposals (RFP) for preparation of an Environmental Impact Report for the Waterfront Plan project.
Resolution No. 93-156
B. Approval to enter into Grant Application from State Water Resource Agency and Friends of Islais Creek for Salt Marsh Restoration.
Resolution No. 93-164

7. **INTERNAL SERVICES**

8. **LEGAL**

An executive session is calendared to discuss the status of INA (Spampinato) v. CCSF, Superior Court No. 912-093, as specifically authorized under California Government Code Secion 54956.9, subdivision (a).

9. **NEW BUSINESS**

10. **ADJOURNMENT**

Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

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PORT OF SAN FRANCISCO

SAN FRANCISCO PORT COMMISSION

REGULAR MEETING WEDNESDAY,
4:00 P.M., DECEMBER 15, 1993
3100 FERRY BUILDING,
SAN FRANCISCO, CALIFORNIA

A D D E N D U M TO A G E N D A

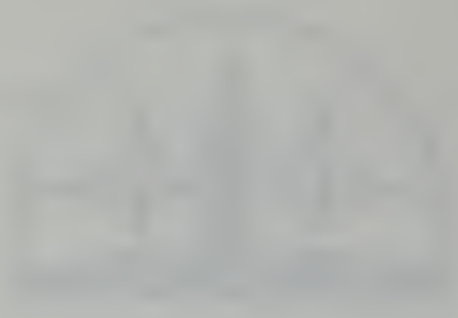
5. **TENANT SERVICES**

F. An executive session has been calendared to discuss real property negotiations between the Port and Southwest Marine, Inc., a California corporation at Pier 70. This is specifically authorized under California Government Code Section 54956.8.

6. **PLANNING DEVELOPMENT & COMMUNITY AFFAIRS**

B. An executive session has been calendared to discuss real property negotiations between the Port and Friends of Islais Creek regarding a Permit to Enter on Port Property along the Islais Creek Channel at Quint Street. This is specifically authorized under California Government Code Section 54956.8.

C. Approval to enter into Grant Application from the State Water Resources Agency and Friends of Islais Creek for Salt Marsh Restoration and a Permit to Enter between the Port and Friends of Islais Creek on Port Property along the Islais Creek Channel at Quint Street. Resolution No. 93-164.



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SAN FRANCISCO PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA
December 15, 1993

MINUTES

President Herman called the meeting of the San Francisco Port Commission to order at 4:15 p.m. and as the first order of business, presented Dennis Bouey as the new executive director and on behalf of the Commission welcomed him to the Port. Mr. Bouey will start his new duties on December 28, 1993.

Roll call indicated all Commissioners present, with the exception of Vice President Halsted, who arrived after roll call. The minutes for the November 22, 1993 and December 8, 1993 meetings will be presented for approval at the next meeting.

EXECUTIVE

Mr. Abernathy informed the Commission on the RFP process for the Ferry Building, stating that the team of James Stewart Polshek & Associates has been selected. Staff is presently negotiating a contract with this team. Ms. Polledri introduced members of the team: Anne Cervantes, David Robinson, Boris Dramov, and Denise Connolly.

Item 3B on the five year budget estimates was postponed until Mr. Bouey is on board in order to allow his input and recommendations.

Mr. Kutnick presented the capital plan focusing on the item for $1 million allocated for the drainage project which Commissioner O'Neill had earlier questioned. This contribution to the CAO's office is compensation for services provided by the Waterfront Transportation Project and represents a 15% share from the Port which staff felt to be equitable. It is unrelated to a proposed park project by GAP which is not currently moving forward. Staff reiterated that this million dollar obligation is strictly for services provided through the drainage project.

Commissioner O'Neill asked to defer this matter, pending submission of documents relevant to this issue, and President Herman declared the matter postponed pending clarification.

CARGO SERVICES

The Commission was asked to approve a ten-year lease with Osgood Warehouse Company, dba San Francisco Port Cargo Sourcing for Pier 48. Roger Peters presented detailed background information on this matter beginning with the Commission's direction to staff to solicit best and final proposals from interested parties for leasing Pier 48. One proposal was received from Osgood Warehouse Company to use the facility for import/export cargo warehousing and sourcing, customs examination, railcar transloading, etc., and as a non-contiguous extension of Foreign Trade Zone #3. Some of the terms of the lease follow: base rent commencing May 1, 1994 is $15,100 monthly. In the event, lessee is completely unable to operate its business for five or more consecutive days due to labor strikes or unrest, base rental is abated for such period. Port can terminate upon 10 days notice if labor strike or unrest continues beyond 60 days. There is a CPI adjustment from base index of January 1994 on the 41st month and 81st month of the lease term.

Tenant improvements within the first six months include removal and disposal of loose ceiling paint and repair of broken doors, windows, etc. at a total cost of $216,000, and tenant is to build a meat inspection facility estimated to cost $50,000.

The Port shall apply at its cost and expense for an extension of the Foreign Trade Zone Grant #3 estimated at $1,600. Port shall provide a water main, if necessary to support the sprinkler system installed by the tenant within the first five years or earlier.

Mr. Peters asked for Commission approval of the lease now before them. Mr. Abernathy indicated City Attorney had prepared a resolution reciting the history with a recommendation for approval. President Herman asked why it was necessary to have City Attorney prepare a resolution on a matter of policy, and was informed that the resolution reiterates what has already been stated by staff.

Public testimony was called for and four individuals spoke in opposition to passage of this lease. Aileen Hernandez, Coalition for Economic Equity; Ted Wang, Coalition for Economic Equity; Paul Elizondo, Hispanic Contractors Association and Hispanic Chamber of Commerce, and George Romero, ILWU, Local 10. Individually and collectively, they opposed approval based on a lack of minority participation and community outreach. Ms Hernandez was critical of the Port's efforts in soliciting minority tenants and businesses and sought the Commission's cooperation to defer its approval until more effort could be made in that direction. Mr. Wang cited the fact that this lease has no women or minority business participation, and lacks any commitment to using MBE's or WBE's.

George Romero objected to the presence in the lease of a non-standard 60-day rent relief clause in the event of labor dispute, characterizing it as a strike benefit to the lessee. Romero asked if previous commitments made by the lessee to use all union labor at prevailing wages will be honored under this lease. Roger Peters said it was his understanding that the workforce for this facility would be a union workforce receiving typical and comparable wage. Romero asked that the Commission postpone action until the reason or justification for the sixty-day "strike clause" was clarified.

Commissioner O'Neill objected to the charge that the Port has been lax in its affirmative action efforts, pointing to the fact that all Port RFP's conform to the requirements as specified in Section 12d.

City Attorney Van Nostern opined that the Coalition was critical that this particular solicitation was not publicly advertised thereby precluding an opportunity for minorities and women.

President Herman questioned staff at length on various aspects of the issue, beginning with the designation of port facilities as active marine terminals, based on an analysis of the container shipping market by staff in March 1993, and stated that the Commission unanimously approved on staff recommendation the designation of Piers 94-96, 92, 80, 70, 50, 48, 27-29, as active marine terminals.

President Herman asked if Mr. Peters recalled Mr. Osgood's frequent statements regarding his commitment to join the PMA (Pacific Maritime Association) in order to be able to compete for Pier 48, and whether Mr. Osgood was now a member of PMA. The Commissioner averred that his not being a member should have precluded Osgood from bidding on a facility limited to PMA-member companies.

Further discussion followed relevant to this issue, with Commissioner Herman adamantly maintaining that this is not a union issue, but rather one of Commission policy which in his words, is "sacred" and "inviolable" unless changed or altered by Commission action.

Discussion ensued comparing the original proposal made by Mr. Osgood and the lease which is currently before the Commission regarding the terms of the proposed agreement and the promised revenue to the Port, as well as a possible partnership of Mr. Kelly.

At the conclusion of this discussion, Commissioner Cook said he agreed that there may be some irregularities with staff on the late delivery of the lease documents, and the last minute changes which added to the confusion, and made it difficult to fully understand all the issues. However, it was his opinion, based on counsel's advice, that preparation of these lease documents is in order. The Port is not in violation of any City ordinance, and adequate notification for lease of this property has been given. Commissioner Cook stated that a delay at this time would serve little purpose, and therefore moved approval of Resolution No. 93-159, which was seconded by Commissioner O'Neill.

Commissioner O'Neill asked for a clarification from the City Attorney regarding the Port's right to restrict tenancy based on affiliation or non-affiliation with an organization, and was informed by the City Attorney that it would be illegal for the Port to restrict a tenancy on that basis, stating that is a fundamental First Amendment right. As further clarification, Ms Van Nostern said she wished to make it abundantly clear that on numerous occasions she advised the Port what their legal rights and responsibilities were in this respect.

Following the City Attorney's statement, Commissioner O'Neill noted this proposal will bring new jobs to the City, and revenue to the Port, and that this is the Commission's responsibility.

President Herman asked for further discussion, and Commissioner Chang-O'Brien stated that she was inclined to support going forward with this because of the extenuating circumstances and the need to bring in revenues, but, said Commissioner Chang-O'Brien, "I think the comments made by Ms Hernandez and by the Coalition are well taken, and that I personally would like to see going forward that we extend the leasing policy, the affirmative action policy, on the retail side, into the industrial and commercial and maritime side. I would like staff to respond to me and let me know on a timely basis."

Commissioner Halsted said she fully supports Commissioner Chang-O'Brien's comments, and shared those feelings.

President Herman noted that this is not the final terminal point of this issue, it has to go before the Board of Supervisors. Herman made on final request for a two week delay in the interest of "harmony on this Commission". Hearing no response to his request, President Herman called for the vote.

ACTION: Approving Resolution No. 93-159, Commissioners Cook, O'Neill, Chang-O'Brien, Halsted.
Commissioner Herman opposed.

President Herman asked that the minutes reflect that he will evaluate what appropriate legal steps are necessary in order to get a better deal for the Port of San Francisco, and reiterated "this is not a good deal".

As the next order of business, the Commission was asked to consider an amendment to a license with Western Rim to reduce the premises of this license. The Mission Bay park project requires one third of the fenced yard area on the west side to be given to Catellus Development as part of the Port's land swap. This area must now be vacated and the applicable section of the license terminated. Western Rim will vacate the entire portion but will retain Sheds A and C on Pier 50 with no reduction in revenue to the Port since this is based on cargo movement through the facility, not square footage.

ACTION: Approval of Resolution No. 93-160 was moved, seconded, carried.

After a brief recess, the Commission returned to consider a three year marine terminal agreement with Blue Star Line. This is for service at the North Container Terminal at Pier 80. This is a standard marine terminal agreement with the following modifications.

1) A three year term instead of five years.
2) A special lumber rate which is the same as BSL's partner, South Seas.
3) An option to renegotiate or terminate the agreement should the terminal's management contractor change and an agreement with the new contractor cannot be arranged by the line.

ACTION: Following a brief discussion, Commissioner Halsted moved approval of Resolution No. 93-157, seconded by Commissioner Chang, carried.

In the interest of moving the agenda expeditiously, the president asked that the remaining matters on the agenda be handled as a consent calendar, unless discussion and debate becomes necessary.

Commission accepted a report on accounts receivable for the period ending November 30, 1993.

Staff presented a request to approve a five year marine terminal agreement with Nippon Yusen Kaisha. This is a new liner service announced by NYK between the U.S. West Coast and Central America/Mexico, being marketed as "Margarita Express Service".

ACTION: Approval of Resolution No. 93-161 moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

PLANNING DEVELOPMENT & COMMUNITY AFFAIRS

The Commission moved to Planning Development and Community Affairs, and as the next order of business, the Commission considered a request to issue a request for proposals for the preparation of an environmental impact report for the Waterfront Plan project. Ms. Polledri affirmed that staff recommends the Commission require a good faith effort to include minority and women-owned businesses and to establish evaluation criteria to reflect the participation of such businesses. Staff will work with the Human Rights Commission and the City Attorney's office to develop the selection criteria.

Action: Moved by Commissioner Cook, seconded by Commissioner Chang, carried.

Staff next requested the Commission's approval to grant a permit to enter to Friends of Islais Creek and Friends of the Urban Forest to plant no more than forty trees on a 6,000 s.f. site along the Islais Creek and Arthur and Quint Streets. Ms. Polledri asked for Commission approval of a modified resolution granting a permit to enter, and to show support for a very enthusiastic and resourceful effort in developing an amenity in that community. The issue of the grant application from the State Water Resources Agency was deferred until the January meeting.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang-O'Brien, carried.

TENANT SERVICES

A. The Commission approved a lease with South End Rowing Club by motion of Cook, seconded by Commissioner Halsted, carried.

B. The sales and rent report for the month of November was presented and accepted.

D. Staff presented the leasing report for November with a brief discussion regarding accelerated rental activity at Pier 9 and its potential for increased revenue at this facility.

C. The Commission was asked to reject all bids under Contract 2592 based on omission of certain information in Bid Item 8 and the failure by all three bidders to include documentation regarding inclusion of MBE and WBE subcontractors. Staff is recommending rejection of all bids at this time; revision of the specifications; and re-advertising for competitive bids.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

E. Commission next reviewed and approved 2 three year leases with Park Express and Allright Cal, for general parking operations on four parcels located at SWL 330, Pier 30-32; SWL 321, 323, 324 and vacated portions of Davis, Vallejo and Union Streets; SWL 322.i; Embarcadero Median Lots E, F and G.

ACTION: Resolution No. 93-162, and Resolution No. 93-163 were approved by motion of Commissioner Halsted, seconded by Commissioner O'Neill, carried.

City Attorney Van Nostern announced three matters for executive session, with a fourth matter deferred until January. The first matter is discussion of real property negotiations with Metropolitan California Stevedore Company at Pier 80 and Stevedoring Services of America at Pier 94-96, and is specifically authorized under California Government Code Section 54956.8. The second matter is for discussion of the status of INA (Spampinato) vs CCSF, Superior Court No. 912-093, and is specifically authorized under California Government Code Section 54956.9, subdivision (a). The third matter for executive session is to discuss real property negotiations between the Port and Southwest Marine, Inc., a California corporation at Pier 70, and is specifically authorized under California Government Code Section 54956.8.

NEW BUSINESS

Staff informed the Commission that the "Sunshine Ordinance" is now in effect requiring the maintenance and accessibility of a public review file in Port offices in which copies of all correspondence or communications between staff and the Commission are to be kept concerning calendared matters. The Commission will be kept posted on this ordinance and in particular on its implications pertaining to them.

The Commission withdrew to executive session at 6:16 p.m. At the conclusion of the closed session, in the matter of Metropolitan California Stevedore, City Attorney stated that staff received direction from the Commission regarding negotiations; in the matter of INA vs. CCSF, the Commission authorized City Attorney to proceed as directed; the Commission directed that a special meeting be scheduled for December 21, 1993 for action and discussion (in executive session) of the matter of Southwest Marine, Inc.

Commission adjourned at 7:30 p.m. by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

SF PORT COMMISSION

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AMENDED PORT COMMISSION MINUTES
DECEMBER 15, 1993 MEETING

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On Page 2 of the minutes
After the sentence ending with Foreign Trade Zone #3, insert the following:

Staff presented a lease for Pier 48 and a portion of Seawall Lot 337.

On Page 3 of the minutes
Replace the paragraph which begins "Discussion ensued comparing..." with the following two paragraphs:

Discussion ensued regarding the lease, with Commissioner Herman raising the following issues: that the process was not a true RFP process with outreach to the minority community in accordance with the City's Human Rights requirements because it went only to a limited number of Port tenants when there are many different companies which might be interested in running warehouses;

that the 10-year term of the lease was contrary to what the Commission authorized Cargo Services to seek and that staff negotiated the lease without first bringing the results of the bid process to the Commission as they indicated they would do when they requested authority to accept bids in August;

that Seawall Lot 337 was not authorized by the Commission for inclusion in the Pier 48 lease and that staff made no effort to contact other adjacent tenants to determine whether they would be interested in the property and what they would be willing to pay;

that staff did not provide the Commission with any analysis of the Pier 48 proposal with respect to how it compared to other Port property or private warehouses;

that the Cost of Living increases every 40 months did not appear to benefit the Port when Mr. Osgood had originally proposed annual adjustments;

that the provision of the lease requiring the Port to, at its expense, request a non-contiguous extension of the Free Trade Zone was, in effect, giving Mr. Osgood a monopoly when an RFP process regarding an FTZ might have opened up opportunities for minority interests from the City's many diverse communities;

that the subleasing language and the allowable use of "renting warehouse space at the published rate" do not appear to allow the Port to benefit from high-volume use of the warehouse, should Mr. Osgood be successful;

that the strike clause identified by Mr. Romero during public comment is unprecedented; and that it appeared that members of the Commission were receiving pressure from City Hall to push this "sweetheart deal" through when Commissioner Herman was asking for a postponement to the next meeting in order to get answers to his concerns (a courtesy normally afforded to any Commissioner who asks).

In response to the question to Mr. Peters as to under whose authority he had proceeded with lease negotiations, Commissioner Cook admitted that he had directed Mr. Peters to go ahead and negotiate the lease without bringing the results of the bid process to the Commission, and he apologized to the Commission President.

The above amendment was approved by the Commission at its meeting on January 12, 1994.

SAN FRANCISCO PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA
December 15, 1993

MINUTES

President Herman called the meeting of the San Francisco Port Commission to order at 4:15 p.m. and as the first order of business, presented Dennis Bouey as the new executive director and on behalf of the Commission welcomed him to the Port. Mr. Bouey will start his new duties on December 28, 1993.

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EXECUTIVE

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Item 3B on the five year budget estimates was postponed until Mr. Bouey is on board in order to allow his input and recommendations.

Mr. Kutnick presented the capital plan focusing on the item for $1 million allocated for the drainage project which Commissioner O'Neill had earlier questioned. This contribution to the CAO's office is compensation for services provided by the Waterfront Transportation Project and represents a 15% share from the Port which staff felt to be equitable. It is unrelated to a proposed park project by GAP which is not currently moving forward. Staff reiterated that this million dollar obligation is strictly for services provided through the drainage project.

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Commissioner O'Neill objected to the charge that the Port has been lax in its affirmative action efforts, pointing to the fact that all Port RFP's conform to the requirements as specified in Section 12d.

City Attorney Van Nostern opined that the Coalition was critical that this particular solicitation was not publicly advertised thereby precluding an opportunity for minorities and women.

President Herman questioned staff at length on various aspects of the issue, beginning with the designation of port facilities as active marine terminals, based on an analysis of the container shipping market by staff in March 1993, and stated that the Commission unanimously approved on staff recommendation the designation of Piers 94-96, 92, 80, 70, 50, 48, 27-29, as active marine terminals.

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Commissioner Halsted said she fully supports Commissioner Chang-O'Brien's comments, and shared those feelings.

President Herman noted that this is not the final terminal point of this issue, it has to go before the Board of Supervisors. Herman made on final request for a two week delay in the interest of "harmony on this Commission". Hearing no response to his request, President Herman called for the vote.

ACTION: Approving Resolution No. 93-159, Commissioners Cook, O'Neill, Chang-O'Brien, Halsted.
Commissioner Herman opposed.

President Herman asked that the minutes reflect that he will evaluate what appropriate legal steps are necessary in order to get a better deal for the Port of San Francisco, and reiterated "this is not a good deal".

As the next order of business, the Commission was asked to consider an amendment to a license with Western Rim to reduce the premises of this license. The Mission Bay park project requires one third of the fenced yard area on the west side to be given to Catellus Development as part of the Port's land swap. This area must now be vacated and the applicable section of the license terminated. Western Rim will vacate the entire portion but will retain Sheds A and C on Pier 50 with no reduction in revenue to the Port since this is based on cargo movement through the facility, not square footage.

ACTION: Approval of Resolution No. 93-160 was moved, seconded, carried.

After a brief recess, the Commission returned to consider a three year marine terminal agreement with Blue Star Line. This is for service at the North Container Terminal at Pier 80. This is a standard marine terminal agreement with the following modifications.

1) A three year term instead of five years.
2) A special lumber rate which is the same as BSL's partner, South Seas.
3) An option to renegotiate or terminate the agreement should the terminal's management contractor change and an agreement with the new contractor cannot be arranged by the line.

ACTION: Following a brief discussion, Commissioner Halsted moved approval of Resolution No. 93-157, seconded by Commissioner Chang, carried.

In the interest of moving the agenda expeditiously, the president asked that the remaining matters on the agenda be handled as a consent calendar, unless discussion and debate becomes necessary.

Commission accepted a report on accounts receivable for the period ending November 30, 1993.

Staff presented a request to approve a five year marine terminal agreement with Nippon Yusen Kaisha. This is a new liner service announced by NYK between the U.S. West Coast and Central America/Mexico, being marketed as "Margarita Express Service".

ACTION: Approval of Resolution No. 93-161 moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

PLANNING DEVELOPMENT & COMMUNITY AFFAIRS

The Commission moved to Planning Development and Community Affairs, and as the next order of business, the Commission considered a request to issue a request for proposals for the preparation of an environmental impact report for the Waterfront Plan project. Ms. Polledri affirmed that staff recommends the Commission require a good faith effort to include minority and women-owned businesses and to establish evaluation criteria to reflect the participation of such businesses. Staff will work with the Human Rights Commission and the City Attorney's office to develop the selection criteria.

Action: Moved by Commissioner Cook, seconded by Commissioner Chang, carried.

Staff next requested the Commission's approval to grant a permit to enter to Friends of Islais Creek and Friends of the Urban Forest to plant no more than forty trees on a 6,000 s.f. site along the Islais Creek and Arthur and Quint Streets. Ms. Polledri asked for Commission approval of a modified resolution granting a permit to enter, and to show support for a very enthusiastic and resourceful effort in developing an amenity in that community. The issue of the grant application from the State Water Resources Agency was deferred until the January meeting.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang-O'Brien, carried.

TENANT SERVICES

A. The Commission approved a lease with South End Rowing Club by motion of Cook, seconded by Commissioner Halsted, carried.

B. The sales and rent report for the month of November was presented and accepted.

D. Staff presented the leasing report for November with a brief discussion regarding accelerated rental activity at Pier 9 and its potential for increased revenue at this facility.

C. The Commission was asked to reject all bids under Contract 2592 based on omission of certain information in Bid Item 8 and the failure by all three bidders to include documentation regarding inclusion of MBE and WBE subcontractors. Staff is recommending rejection of all bids at this time; revision of the specifications; and re-advertising for competitive bids.

ACTION: Moved by Commissioner O'Neill, seconded by Commissioner Halsted, carried.

E. Commission next reviewed and approved 2 three year leases with Park Express and Allright Cal, for general parking operations on four parcels located at SWL 330, Pier 30-32; SWL 321, 323, 324 and vacated portions of Davis, Vallejo and Union Streets; SWL 322.i; Embarcadero Median Lots E, F and G.

ACTION: Resolution No. 93-162, and Resolution No. 93-163 were approved by motion of Commissioner Halsted, seconded by Commissioner O'Neill, carried.

City Attorney Van Nostern announced three matters for executive session, with a fourth matter deferred until January. The first matter is discussion of real property negotiations with Metropolitan California Stevedore Company at Pier 80 and Stevedoring Services of America at Pier 94-96, and is specifically authorized under California Government Code Section 54956.8. The second matter is for discussion of the status of INA (Spampinato) vs CCSF, Superior Court No. 912-093, and is specifically authorized under California Government Code Section 54956.9, subdivision (a). The third matter for executive session is to discuss real property negotiations between the Port and Southwest Marine, Inc., a California corporation at Pier 70, and is specifically authorized under California Government Code Section 54956.8.

NEW BUSINESS

Staff informed the Commission that the "Sunshine Ordinance" is now in effect requiring the maintenance and accessibility of a public review file in Port offices in which copies of all correspondence or communications between staff and the Commission are to be kept concerning calendared matters. The Commission will be kept posted on this ordinance and in particular on its implications pertaining to them.

The Commission withdrew to executive session at 6:16 p.m. At the conclusion of the closed session, in the matter of Metropolitan California Stevedore, City Attorney stated that staff received direction from the Commission regarding negotiations; in the matter of INA vs. CCSF, the Commission authorized City Attorney to proceed as directed; the Commission directed that a special meeting be scheduled for December 21, 1993 for action and discussion (in executive session) of the matter of Southwest Marine, Inc.

Commission adjourned at 7:30 p.m. by motion of Commissioner Cook, seconded by Commissioner O'Neill, carried.

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SAN FRANCISCO PORT COMMISSION

James R. Herman, President
Anne Halsted, Vice President
Ming Chang-O'Brien
Francis J. O'Neill
Preston Cook

SPECIAL MEETING - TUESDAY
4:00 P.M., DECEMBER 21, 1993
3100 FERRY BUILDING
SAN FRANCISCO, CA 94111
Phone: 274-0400 FAX: 274-0528

A G E N D A

1. **ROLL CALL**

2. **TENANT SERVICES**

   A. CLOSED SESSION

   CONFERENCE WITH REAL PROPERTY NEGOTIATOR
   Property: Port property located at Pier 70 Foot of 20th Street
   Persons negotiating: Port representatives Michael Janis, and Veronica Sanchez; Southwest Marine Inc. (dba San Francisco Drydock) representative Mr. Carl Hanson
   Under negotiation:
   Price ___ Terms of payment ___ Both _X_

   An executive session has been calendared to discuss real property negotiations between the Port and Southwest Marine, Inc., a California corporation at Pier 70. This is specifically authorized under California Government Code Section 54956.8.

   B. Approval of terms of amendment regarding liability insurance requirements of Port lease with Southwest Marine, Inc., (dba, San Francisco Drydock) a California corporation. Resolution No. 93-165

3. **NEW BUSINESS**

4. **ADJOURNMENT**

   Public comment is permitted on any matter within Port jurisdiction, and is not limited to agenda items.

SAN FRANCISCO PORT COMMISSION
FERRY BUILDING, SUITE 3100
THE EMBARCADERO, SAN FRANCISCO

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Minutes of the hearing are available in alternative formats. Please contact Elizabeth Day at VOICE (415) 274-0405 at least 72 hours prior to the meeting. Late requests will be honored if possible.

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To allow individuals with environmental illness or multiple chemical sensitivity to attend the meeting, individuals are requested to refrain from wearing perfume or other scented products.

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The closest accessible MUNI Metro station is Embarcadero station located at Market and Spear Streets.

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SPECIAL MEETING - TUESDAY
4:00 P.M., DECEMBER 21, 1993
3100 FERRY BUILDING
SAN FRANCISCO, CA 94111
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M I N U T E S

The San Francisco Port Commission convened in special session at 4:10 p.m.

Present: Commissioner Anne Halsted
Commissioner Francis J. O'Neill
Commissioner Preston Cook

Absent: Commissioner James R. Herman
Commissioner Ming Chang O'Brien

Commission adjourned to Executive Session at 4:12 p.m. to discuss real property negotiations between the Port of San Francisco and Southwest Marine, Inc. a California corporation at Pier 70, as authorized under California Government Code Section 54956.8.

Commission reconvened in open session at 5:49 p.m. Commissioner O'Neill moved not to disclose the content of the discussion that occurred in Executive Session. The motion was seconded by Commissioner Cook and carried unanimously.

Commissioner Cook moved that Item 2B, Approval of terms of amendment regarding liability insurance requirements of Port lease with Southwest Marine, Inc., be continued to next regular meeting, seconded by Commissioner O'Neill, carried unanimously.

Meeting was adjourned at 5:52 p.m.